

The former Olympic ice skating champion Kristi Yamaguchi holding the torch during the lighting ceremony in Nagano on Saturday.

## At Opening Ceremony, A Call for World Peace

Winter Games Begin With Simplicity

By Jere Longman  
New York Times Service

NAGANO, Japan — The final Winter Olympics of the 20th century opened Saturday with a spare, traditional celebration of Japanese culture that broadened into an appeal for international peace and brotherhood.

With a United States military attack on Iraq possibly imminent, the president of the International Olympic Committee called on all nations to refrain from conflict during the 16 days of the Winter Games.

It was his hope, said Juan Antonio Samaranch, that the IOC's appeal for a worldwide Olympic truce "will foster international dialogue and diplomatic solutions to all conflicts. In an effort to bring human tragedies to an end."

After 2,450 athletes from 72 countries marched into Minsai Stadium, and the reversed Japanese figure skater Midori Ito lit the Olympic flame, nearly 10 minutes of the two-hour opening ceremonies were devoted to a soaring, transforming performance

of Beethoven's "Ode to Joy."

The climactic movement of Beethoven's Ninth Symphony is performed at every Olympics, according to the wishes of Pierre de Coubertin, the French baron who is considered the father of the modern Olympic movement. But Saturday's performance was particularly ambitious and stirring as it incorporated both musical and technological virtuosity.

As 50,000 spectators gathered under an azure midday sky, filling a stadium ringed by the majestic Japan Alps, "Ode to Joy" was performed by choruses from five continents, linked simultaneously by satellite and symbolizing the interlocking Olympic rings.

Seiji Ozawa, music director of the Boston Symphony conducted 200-member choruses in New York, Berlin, Beijing, Sydney and Cape Point, South Africa, which were connected by time-lag technology to 90 singers in the Nagano Prefecture Culture Hall and 2,000 singers at Minsai Stadium.

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## 'Prepared to Act,' U.S. and Britain Say End to Crisis Is in Iraq's Hands

In Washington, Clinton and Blair Stress: 'One Way or the Other,' Inspection Issue Must Be Resolved

By Steven Erlanger  
New York Times Service

WASHINGTON — Standing side-by-side on Iraq as well as on all other matters, President Bill Clinton and Prime Minister Tony Blair of Britain issued a stern new warning Friday to Iraq that it will face substantial military action unless it complies with UN weapons inspectors and Security Council resolutions.

"If Saddam does not comply with the unanimous will of the international community, we must be prepared to act, and we are," Mr. Clinton said. "Whether there is a diplomatic solution or not is entirely up to Saddam Hussein."

Mr. Blair, citing the risk of Iraq's chemical and biological weapons programs, said of Mr. Saddam: "We've got to make sure that he complies one way or another."

He announced that he was sending eight Tornado ground-attack jets to Kuwait, and said the Anglo-American objective was very clear: "To ensure either that the weapon inspectors

U.S. to bolster airpower in the Gulf. • UN arms monitor rejects Iraq's recent proposals to defuse crisis. Page 4.

can come in and finish their task, or that the capability that Saddam Hussein undoubtedly has and wants to develop for weapons of mass destruction is taken out. And it is absolutely essential that what we do is focus upon the best way possible that we can do that."

[Two U.S. Marine Corps fighter jets collided over the Gulf during a training flight Friday, killing one of the pilots, Pentagon officials said, according to The Associated Press.]

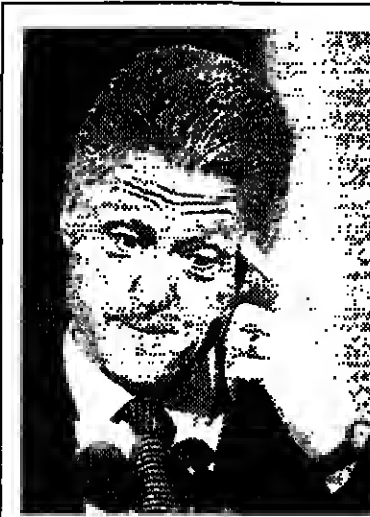
Both leaders stressed that they preferred a diplomatic solution to the crisis, but wanted to resolve it, as Mr. Clinton has said, "one way or another."

Mr. Clinton insisted that there was international support in private for the U.S.-British position of forcing the Iraq issue. "I believe there is more agreement than at first it appears about the necessity to push this thing through to the end," he said.

While saying that a diplomatic solution would be best, a senior U.S. official noted that "there remains a high degree of skepticism that diplomacy will work."

Senior British and American officials said the two leaders, in

See IRAQ, Page 4



Monica Lewinsky's lawyer sees Starr "pressure" tactics. Page 3.

White House accuses media over leaked information. Page 3.

## Forcefully, Clinton Rejects Resigning Over Allegations Of Impropriety

Lawyer for President's Secretary Denies Reports She Was Urged To Shade Account to Grand Jury

By Brian Knowlton  
International Herald Tribune

WASHINGTON — Even with the British prime minister at his side and a military buildup around Iraq in progress, President Bill Clinton was forced at a press conference Friday to fend off questions about his relationship with Monica Lewinsky and emotionally rebuff a question about resignation.

"Never," he responded firmly, when asked at what point he would consider stepping aside because of the allegations of sexually impropriety and obstruction of justice. He added: "I would never walk away from the people of this country and the trust they've placed in me."

After confronting fresh headlines Friday morning that his personal secretary, Betty Currie, had secretly cooperated with investigators working with the independent counsel Kenneth Starr, the White House was able to cite a strong statement from her attorney, Lawrence Wechsler, denying the characterization of her reported testimony.

The New York Times reported Friday that Mr. Clinton had met with Mrs. Currie and asked her leading questions in an apparent effort to coach her to say that he had never been alone with Ms. Lewinsky, once a White House intern.

Mr. Wechsler issued this statement: "I want to be absolutely clear. To the extent there is any implication or the slightest suggestion that Mrs. Currie believed that the president, or anyone else, tried to influence her recollection, that is absolutely false and a mischaracterization of the facts."

Mr. Clinton refused to be drawn out on details of the Lewinsky case, citing an injunction to parties in the Paula Jones lawsuit against him not to discuss it outside the courtroom.

Referring to the articles about Mrs. Currie, however, he said, "I never asked anybody to do anything but tell the truth."

Mr. Clinton also spoke more candidly than before about the pain and sense of embarrassment he has felt since the allegations first surfaced that he had had an affair with Ms. Lewinsky and then sought to get her to lie about it.

"The pain threshold, at least for our side, of being in public life today has been raised," he said. "But to give into that would be to give into everything that I fought against and that got me into this race in 1991."

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## 4,000 Said to Die In Afghan Quake



The Associated Press

KABUL — A powerful earthquake jolted Afghanistan's remote northeast, killing as many as 4,000 people, an Afghan official said Friday.

The quake hit the city of Rustaq, 280 kilometers (175 miles) north of Kabul, said Sher Mohammed, a spokesman for the military alliance that controls the area. The alliance is fighting the Taliban regime that controls most of the country.

The quake, which had a magnitude of 6.1, occurred Wednesday, but news of the devastation reached Kabul only Friday.

## Korean Unions Reluctantly Agree to Layoffs

By Don Kirk  
International Herald Tribune

SEOUL — South Korean government, business and labor leaders, seeking to improve the nation's ailing economy, reached a sweeping agreement Friday that would legalize mass layoffs.

"We have hope for this country," said President-elect Kim Dae Jung, reflecting the sense of relief shared by the incoming and outgoing governments. "We have paved the way for another leap."

Participants praised the agreement as giving flexibility to debt-ridden companies confronted by bank-

ruptcy and rapidly declining sales. Representatives of labor, business and government finished a draft of the legislation, which is expected to be passed by the National Assembly next week, after three weeks of negotiations and an all-night bargaining session.

Leaders of the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions, accustomed to lifetime employment, reluctantly abandoned their no-layoff stance in return for several concessions, including unemployment insurance, legalization of a national teachers union, and the right of unions to participate in politics.

"It's a very fragile agreement," said Yoon Young

Mo, international secretary of the Korean Confederation of Trade Unions, a militant organization that led a monthlong strike against labor legislation a year ago. "It requires the government and the president-elect to do everything possible to win the confidence of workers."

The group called off plans for a three-hour sit-down strike Friday afternoon by its 600,000 members, most of them in heavy industries.

Leaders of the conglomerates, known as chaebol, hailed the agreement as "a gallant act." The Fed-

See KOREA, Page 4

## U.S. Commander Sounds Alert on Indonesia Unrest

By Michael Richardson  
International Herald Tribune

SINGAPORE — A senior U.S. commander has expressed concern that Indonesia could be on the verge of social and political instability.

The question of domestic turbulence is critical to the U.S. military because of fears that instability in Indonesia could jeopardize secure the passage of American warships through the Strait of Malacca, the quickest route between American bases in the Pacific and such flash points as the Gulf.

In unusually candid comments, the commander of U.S. forces in the Pacific, Admiral Joseph Prueher, said that the Indonesian authorities had many problems to grapple with and that the nation's institutions were weaker than they should be to cope with those problems.

"And so I worry about the stresses and strains on the government," he said in a speech Monday to the Royal United Services Institute for Defense Studies in London.

"It's a really tough situation," Admiral Prueher said, Reuters reported. "Even if all the good decisions are made, there is trouble ahead. There is no economic and political stability. We're trying to work in an economic, political and military way to be as supportive as we can to try to bring this back in line."

Referring to recent riots by majority Muslims in some parts of Indonesia, which were triggered by reports of food hoarding and price increases by ethnic

Chinese shopkeepers, Admiral Prueher reportedly said: "The word 'amok' is a Malay word. Indonesians will riot at the drop of a hat, so it is a very tough issue."

This view of turbulence ahead in Indonesia, the world's fourth most populous nation, arises because of a looming recession triggered by financial turmoil; increasing unemployment, social unrest, and ethnic and religious tensions; and the unsettled question of who will succeed President Suharto, who has held power for 32 years but is now 76 and in suspect health.

Such instability could unleash nationalist or Islamic forces hostile to the United States and opposed to the presence of U.S. military forces in the region and in the Malacca strait, which separates Malaysia and Singapore from the Indonesian island of Sumatra and links the South China Sea and the Indian Ocean.

Mr. Suharto's generally pro-Western

See JAKARTA, Page 4



OKINAWAN DEFIANCE — Governor Masahide Ota announcing Friday that Okinawa has decided not to accept plans to build a new U.S. heliport, paralyzing a key U.S.-Japan defense accord. Page 4.

## In South America and Asia, Discovering Globalization's Perils

Argentina, a Paradigm, Gets a Rude Surprise

By Roger Cohen  
New York Times Service

BUENOS AIRES — The process known awkwardly as "globalization" is many things. It is the information society. It is the erosion of national sovereignty. It is footloose corporations taking investments where labor is most productive. It is the growing premium on technical skills — and the growing plight of unskilled laborers.

It is also the daily flow across borders of more than \$1.5 trillion, from investors and traders seeking to maximize profit and minimize risk and moving, at times of crisis, with all the discernment of a herd.

For them, Seoul and Sao Paulo, Bangkok and Buenos Aires are one interchangeable "funny world": developing nations that threaten the annual bonus.

"What you realize with the Asian crisis," said Ken Baxter, a Brazilian banker, "is that when

there's a stampede in this postmodern world, you don't have time to say, 'Hey, look, cattle, you've got it all wrong!'"

Argentina, unlike Brazil, was supposed to have it all right. During the 1990s it adopted the International Monetary Fund program that Brazil has shunned. Abandoning decades of anti-Americanism, it won the status of "major non-NATO ally" by hitching its sails to Washington's whims in a way many Brazilians consider demeaning. It tied its currency so closely to America's that the dollar is available in bank cash machines and Argentines think nothing of buying their burgers and newspapers with dollars.

The transformation was stunning, and made Argentina a paradigm of the newly globalized economy. The national airline, the postal service, banks — all the enterprises, it seemed, that Pres-

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For Indonesia's Workers, the Costs Are Mounting

By Seth Mydans  
New York Times Service

SURABAYA, Indonesia — At precisely 3 P.M., the heavy blue gate of the Gunawan steel plant slid open and hundreds of young men poured through to hear an announcement they dreaded. Would their factory reopen in the morning, and would all of them still have jobs if it did?

As they parked their motorbikes, they faced an intimidating sight: dozens of police officers, soldiers and plainclothes security men, watching them carefully along with the local army commander and the city's police chief.

The announcement in the factory's courtyard on Thursday, in the words of another worker, was: "Good but also bad."

Gunawan steel will reopen for now, reversing a plan to close its gates permanently. But they were told that when they arrived for work Friday morning,

90 of the plant's 650 workers would have no jobs. The men in the courtyard, squatting on the ground and hugging one another as they listened, received the announcement in silence. When it was over, they boarded their motorbikes and quickly disappeared.

It was a moment of truth for both the workers and the security forces, who have geared up around the country for a violent reaction as millions of Indonesians lose their jobs because of the country's deepening recession.

And it was a moment that is due to be repeated hundreds of times in the days ahead as workers return from an extended Muslim holiday to factories whose business is contracting sharply as their costs and their debts expand to crippling levels.

In Jakarta on Thursday, 650 kilometers (400 miles) to the west, government officials raised their estimate of the country's unemployed by one-

See WORKERS, Page 13

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameron	1,800 CFA	Oman	10.00 QR
Egypt	5E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20



# Clinton Tells Italy He's 'Heartsick'

## President Pledges 'No-Holds-Barred' Probe of Cable-Car Disaster

WASHINGTON — President Bill Clinton said Friday he was "heartsick" over a fatal cable-car disaster in Italy caused by a low-flying U.S. warplane, and promised a "no-holds-barred" investigation.

"The whole thing has been an agony for the people of Italy," Mr. Clinton said at a televised White House news conference. He said he had telephoned the Italian prime minister, Romano Prodi, "and I told him that I was heartsick about it, that I would make absolutely sure there was a no-holds-barred full investigation of what happened and that the Italians would be kept fully informed."

Mr. Clinton said military flights such as the one involved in the disaster were "inherently dangerous" but pledged, "I will do everything I can to find out what happened and take appropriate action and to satisfy the people of Italy that we have done the right thing."

The U.S. military acknowledged earlier on Friday that the EA-6B Prowler that caused the disaster in the Dolomites in which 20 people were killed was flying far too low. The twin-engine Marine Corps jet is based at Aviano, Italy, part of the NATO-led effort to patrol Bosnia.

In Bologna on Friday, Mr. Prodi said there could be no justification for the low altitude of the plane.

"It was a clear, indisputable violation of the law," he said in a speech at a trade union meeting. "Nothing can justify flying so low as to cut the cables of a cable car."

The plane slashed through the cables at the resort of Cavalese in northern Italy, sending the victims hurtling to their deaths on Tuesday. The dead included a 13-year-old boy and tourists from Italy, Germany, Belgium, Poland, the Netherlands and Austria.

The U.S. military also said Friday that it had handed over a flight recorder to Italian investigators.

Officials at Aviano had said the plane carried no voice or flight data recorder. But late Thursday, it handed over a "mission recorder," said Sergeant Tom Adams, a Marine spokesman at the base.

"There is nothing called specifically a 'black box' involved in all this," Sergeant Adams said. "The thing that's been in question in the last couple of days is actually a mission recorder."

The device records certain elements of the flight path of the airplane.

The spokesman said he did not have any information on what was on the recorder.

But Francesco Grano, the Italian prosecutor investigating the accident, said he was told some of the data might be missing because the device was improperly removed from the plane.

He said he was told the pilot removed the device when he returned to base on Tuesday after the deadly flight. But the pilot neglected to first turn off an electrical circuit that may have resulted in some loss of data, Mr. Grano said he was told.

Authorities at the base issued a statement Friday saying the plane was "well

below the approved minimum altitude" when it severed the cable.

It also said the cable car was within the plane's flight path, a corridor 10 nautical miles (18.5 kilometers) wide.

A key point of dispute has been whether the pilot was flying lower than the 500-foot (152-meter) minimum.

"There would not have been any danger had the plane kept to the rules," Defense Minister Beniamino Andreatta told a special joint session of the Italian Parliament on Thursday.

"What happened is incomprehensible," he said.

Mr. Andreatta said the plane flew under the cable and that it was nearly 6 miles (9.5 kilometers) off its assigned route.

Defense Secretary William Cohen telephoned Mr. Andreatta to offer apologies for the accident and promise it would be fully investigated.

Mr. Cohen said in an appearance before a House of Representatives committee on Thursday that the U.S. government was immediately establishing a \$100,000 fund for families of the victims while the accident was being investigated.

"We wanted to make this gesture in their time of need," he said.

Lieutenant Daniel Cristmas, a Marine spokesman at the Pentagon, said on Friday in response to questions that the plane's crew would normally remain under U.S. legal jurisdiction under a routine status-of-forces agreement between the United States and Italy.

(Reuters, AP)



U.S. General Michael Delong leaving the Trento tribunal Friday after meeting with the local prosecutor who is investigating the accident.

## BRIEFLY

### 35-Hour-Week Bill Advances in France

PARIS — The French National Assembly resumed debate Friday on legislation to cut the workweek from 39 to 35 hours after both left and right reached a compromise overnight.

Deputies approved a compromise Thursday that would let businesses keep the current 39-hour week while allowing workers some additional time off over an annual period. The deal followed 10 days of bitter debate over the Socialist-backed bill. Parliament is scheduled to vote on the final bill Tuesday.

The Communist-led CGT trade union and the independent Force Ouvrière group both criticized the compromise, saying it would enable businesses to avoid creating jobs. Business leaders have said the law would more likely kill jobs than create them because it would raise companies' labor costs. (AFP)

### Hungary Dam Deal Angers Ecologists

BUDAPEST — Environmentalists accused Hungary on Friday of flouting an international court ruling by deciding to build a new Danube dam to support Slovakia's Gabčíkovo hydroelectric project.

On Thursday, Hungary approved in principle an agreement with Slovakia that includes the building of a \$1 billion dam either at Nagymaros, 40 kilometers (25 miles) north of Budapest, or at nearby Pilismarot. Slovakia says the dam, 100 kilometers downstream from Gabčíkovo, would help it cope with costly fluctuations in water levels at the Gabčíkovo facility.

"The fact that a second dam is being contemplated is absolutely ludicrous in terms of having an international court look at an issue and then ignoring the decisions and commentary that it makes," Philip Weller of the World Wide Fund for Nature said. (Reuters)

### Austrian President Rebuffs a Pension

VIENNA — President Thomas Klestil of Austria, entangled in a controversy about his income, denied Friday that he had applied for a civil service pension on top of his generous salary as head of state.

Mr. Klestil, who is seeking a second six-year term of office in elections set for April, reiterated that the first payment of a 26,000-schilling (\$2,050) monthly pension had arrived in his bank account without his prior knowledge. "The pension payment to me a week ago happened because of a loophole in the law for which I bear no responsibility," he said.

Late Thursday, the presidential office announced that Mr. Klestil was giving up the pension and that he had asked Parliament for a review of pension regulations for politicians. (Reuters)

### For the Record

The upper house of the German Parliament voted Friday to reduce constitutional privacy guarantees in private residences, clearing the way for a controversial law allowing electronic surveillance as a crime-fighting measure. (AP)

## VW's 'Last Supper' Ads Upset Paris Archbishop

PARIS — The Roman Catholic archbishop of Paris criticized a French advertising company Friday for using the "Last Supper" and other holy themes to sell Volkswagen's Golf automobiles.

In an article published in the daily Le Monde, Cardinal Jean-Marie Lustiger called the ad campaign by the German carmaker's agency in France, DDB-Needham France, a cynical attempt to sell products by any means.

"Today, it's the Christ of Holy Thursday for a new Volkswagen, and tomorrow, who will it be, for yogurts and the new generation of portable telephones?" he asked.

France's bishops said Wednesday that they were suing Volkswagen and DDB-Needham France over ads depicting Christ praising the Golf at the Last Supper.

## Germany Snuffs Out Bill to Restrict Smoking

By Alan Cowell  
New York Times Service

BONN — Seventeen million German smokers wheezed a sigh of collective relief Friday after Parliament voted down a law that would have brought the beginning of oncoming regulations to one of Europe's most nicotine-prone lands.

Edgar Bauer, a no-smoking editor at the German Press Agency, was not one of them: Parliament's 336-256 vote Thursday, he wrote, meant that smokers could continue

to "dump into the air stinking, toxic and cancerous substances, in public and at their place of work, without general smoking bans and without fear of a fine."

Karsten Vilmar, the head of the German doctors' association, was not thrilled, either. People, he said, were not permitted to break down in front of other people. "Why should they be allowed to smoke?" he asked.

The answer, arguably, lay in the relationship between Chancellor Helmut Kohl's government and a tobacco industry that pays about

\$14 billion a year in taxes at a time when the authorities are desperately seeking to balance their books so the country can qualify for the European common currency, the euro.

Even the health minister, Horst Seehofer — one of those same European Union health ministers who warn in writing on each pack of cigarettes sold in their countries that "Smoking damages health" and "Smoking causes cancer" — voted against the smoking ban. Mr. Seehofer said the legislation would have intruded into private lives.

Germany and Austria were the only two countries at a meeting of European Union health ministers this year to openly oppose a ban on cigarette advertising in Europe.

In Germany, the fog of cigarette smoke may still be found wafting over food in restaurants and along the corridors of bureaucratic power. There is no overall legislative protection for nonsmokers.

The defeated law would have required all companies to establish smoke-free areas and set aside rooms where smoking was permitted.

## Balloonists Break A Second Record

The Associated Press

GENEVA — Three European balloonists set a second world record Friday, despite failing in their bid to orbit the globe.

Cruising toward Burma, the Breitling Orbiter 2 achieved the longest-ever nonstop unrefueled flight at 11:09 GMT. It beat a record set in December 1996, when Dick Rutan and Jeana Yeager flew around the world in nine days and four minutes in an experimental plane.

On Tuesday, they broke the record for the longest time spent airborne in a balloon. That record — six days, two hours and 44 minutes — was set last year by the American balloonist Steve Fossett.

The balloonists abandoned their round-the-world attempt Wednesday because of China's delay in granting permission to enter its airspace. "For us the goal was really to fly around the world," a spokesman said.

## TRAVEL UPDATE

### Schiphol Flight Protest

THE HAGUE (Reuters) — Hundreds of people from the Dutch airline industry gathered outside Parliament on Friday to protest government environmental policy that has capped the number of flights at Amsterdam's Schiphol Airport.

Cabin crews from KLM Royal Dutch Airlines and charter airlines were joined by ground personnel from Schiphol and by travel agents. They petitioned the government to relax noise restrictions around Schiphol and allow an additional 40,000 flights this year at the airport.

### Poles Look to Borders

WARSAW (AFP) — As a prospective member of the European Union, Poland is considering requiring visas for visitors from Belarus, Russia and Ukraine, Foreign Minister Bronislaw Geremek said Friday.

"Poland's future in the European Union is at stake," he said. The aim would be to stop members of organized crime and drug-trafficking groups from entering the EU via Poland.

## WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Europe				Asia			
City	Today	Low/High	Tomorrow	City	Today	Low/High	Tomorrow
Algeria	72/82	64/80	59/88	Algeria	72/82	64/80	59/88
Amsterdam	51/61	43/59	48/56	Amsterdam	51/61	43/59	48/56
Antwerp	51/61	43/59	48/56	Antwerp	51/61	43/59	48/56
Athens	64/74	56/72	61/69	Athens	64/74	56/72	61/69
Berlin	51/61	43/59	48/56	Berlin	51/61	43/59	48/56
Bombay	72/82	64/80	59/88	Bombay	72/82	64/80	59/88
Buenos Aires	64/74	56/72	61/69	Buenos Aires	64/74	56/72	61/69
Calcutta	72/82	64/80	59/88	Calcutta	72/82	64/80	59/88
Chongming	72/82	64/80	59/88	Chongming	72/82	64/80	59/88
Colombo	72/82	64/80	59/88	Colombo	72/82	64/80	59/88
Hanoi	72/82	64/80	59/88	Hanoi	72/82	64/80	59/88
Hong Kong	72/82	64/80	59/88	Hong Kong	72/82	64/80	59/88
Kobe	72/82	64/80	59/88	Kobe	72/82	64/80	59/88
London	51/61	43/59	48/56	London	51/61	43/59	48/56
Los Angeles	72/82	64/80	59/88	Los Angeles	72/82	64/80	59/88
Madrid	72/82	64/80	59/88	Madrid	72/82	64/80	59/88
Moscow	72/82	64/80	59/88	Moscow	72/82	64/80	59/88
Mumbai	72/82	64/80	59/88	Mumbai	72/82	64/80	59/88
Nairobi	72/82	64/80	59/88	Nairobi	72/82	64/80	59/88
Paris	72/82	64/80	59/88	Paris	72/82	64/80	59/88
Perth	72/82	64/80	59/88	Perth	72/82	64/80	59/88
Rangoon	72/82	64/80	59/88	Rangoon	72/82	64/80	59/88
Rio de Janeiro	72/82	64/80	59/88	Rio de Janeiro	72/82	64/80	59/88
Sao Paulo	72/82	64/80	59/88	Sao Paulo	72/82	64/80	59/88
Seoul	72/82	64/80	59/88	Seoul	72/82	64/80	59/88
Singapore	72/82	64/80	59/88	Singapore	72/82	64/80	59/88
Taipei	72/82	64/80	59/88	Taipei	72/82	64/80	59/88
Tokyo	72/82	64/80	59/88	Tokyo	72/82	64/80	59/88
Yokohama	72/82	64/80	59/88	Yokohama	72/82	64/80	59/88

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## Selling Blacks on Cigarettes

Transit Ad Blitz Aimed at a Class of Heavy Smokers

By Barry Meier  
New York Times Service

NEW YORK — A steady flow of tobacco industry documents released in recent days is providing the broadest and most detailed look at how the industry lavishly marketed cigarette brands like Kool to some of its heaviest-smoking customers, blacks.

The internal company records, from tobacco giants, including the R.J. Reynolds Tobacco Co. and the Brown & Williamson Tobacco Corp., show how the cigarette makers ran advertising blitzes in magazines, on billboards and buses and in other media to attract blacks, especially to mentholated brands such as Salem and Kool.

While the marketing of certain cigarette brands to blacks had long been evident, the documents provided new evidence of the importance of black smokers to the companies. They also led to calls from African-American and other minority lawmakers, as well as from Dr. Louis Sullivan, the former secretary of health and human services, that some proceeds from any tobacco legislation enacted by Congress be directed toward minority communities.

One 1973 Brown & Williamson document, for example, showed that 17 percent of the company's promotional budget for Kool was spent on marketing to blacks, who made up only 10 percent of the population. That same document, which looked at smoking trends among young people from the age of 16 to 24, recommended spending more to promote Kool on buses and in subways even though the company was already using "virtually all known vehicles to reach blacks effectively and efficiently."

"With this additional transit effort, Kool will cover the top 25 markets in terms of absolute Negroes," the document stated. Most of the documents at issue were made public at recent congressional hearings on the proposed \$368.5 billion tobacco settlement, including one held Wednesday before the House Judiciary Committee.

Representative Bennie Thompson, Democrat of Mississippi, who heads a tobacco task force within the Congressional Black Caucus, said the agreement reached last year between tobacco producers and about 40 state attorneys general does not address the fact that minority groups have been among the most affected over the years by both cigarette marketing and smoking-related diseases.

"It was pretty much a white male group that put the settlement together, and the document reflects that," the lawmaker said.

The tobacco industry has long played a dual role in the minority community. Manufacturers such as Philip Morris Cos. have supported minority public affairs events and some politicians, and poured millions of dollars into advertising in newspapers that serve minority communities. But the rate of smoking among both blacks and American Indians is higher than the national average, federal statistics show.

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SWITZERLAND	CHF 12.00	11.00	58%
USA	\$ 12.00	11.00	58%

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معلومات الاصل



## BRIEFLY

## 35-Hour-Week Bill Advances in France

PARIS — The French National Assembly resumed debate Friday on legislation to cut the workweek from 39 to 35 hours after both left and right reached a compromise overnight.

Deputies approved a compromise Thursday that would let businesses keep the current 39-hour week while allowing workers some additional time off over an annual period. The bill followed 10 days of bitter debate over the Socialist-backed bill. A final bill is scheduled to vote on the final bill Tuesday.

The Communist-led CGT trade union and the independent Force Ouvrière group both criticized the compromise, saying it would make businesses to avoid creating jobs. Business leaders have said the law would more likely kill jobs than create them because it would raise companies' labor costs.

## Hungary Dam Deal Angers Ecologists

BUDAPEST — Environmentalists accused Hungary on Friday of ignoring an international court ruling by deciding to build a new dam on the Danube River. The dam, which would be 100 kilometers downstream from Gabcikovo, would help it cope with costly fluctuations in water levels. The dam is scheduled to be built in the Gabcikovo region.

The fact that a second dam is being contemplated is absolutely ridiculous in terms of having an international court ruling at an issue and then ignoring the decision, said a spokeswoman for the Danube River Commission.

## Austrian President Rebuffs a Pension

VIENNA — President Thomas Klestil on Friday rebuffed a proposal to grant him a pension for life after his term in office. The proposal was made by the Austrian government, which said it was a necessary step to ensure the president's financial security after his term. Klestil, who has served as president since 1986, is 74 years old and has a long record of public service.

## For the Record

The upper house of the German Bundestag on Friday rejected a proposal to grant a pension for life to the president of the Federal Republic of Germany.

## Clinton Strategy: A Covert Riposte

Aides Target Starr and the Media

By Richard L. Berke  
New York Times Service

WASHINGTON — Responding to damaging news accounts about President Bill Clinton's relationship with a former intern, the White House has begun an aggressive behind-the-scenes counterattack, accusing the media of one-sided coverage based on leaked information from Kenneth Starr, the White House independent counsel.

Several White House officials warned reporters that if Mr. Starr or his associates disclosed confidential grand jury information to them, that would violate federal laws. While the officials stopped short of actually accusing Mr. Starr of leaking information, they were unusually pointed in making that suggestion.

"When I see story after story that cites sources close to the investigation, I think it's fair enough to call into question that someone, somewhere is leaking information," said Paul Begala, a senior adviser to the president. "And I'm pretty sure it's not the president's lawyers. The press is not doing its job as referee."

"Why?" he asked. "Because the press is the beneficiary of the leaks. If a bank robber was banding you money, you would not have a very powerful reason to report on that bank robber."

Other White House officials, who would speak only if their names were not used, bluntly accused Mr. Starr of leaking confidential information. "You are witness to a crime," one official told a reporter. "This is wrong."

Sounding under siege, the official added that the drumbeat of stories based on leaks may do mortal damage to us. Mr. Starr denied that leaks were coming from his office. "But I share the concern with any assault on the rule of law," he said in response to a question at a news conference in Little Rock, Arkansas. He went on, "I regret that there have been instances, so it would appear, when that rule has not been abided by."

As to an order of confidentiality, he added, "I respect it scrupulously, and so does my staff."

Responding to Mr. Starr's comments, Joe Lockhart, a White House spokesman, said, "It's hard to square the comments of the respect for the secrecy of the grand jury with news reporters directly quoting the independent counsel's office."

Explaining the impetus for White House efforts to contact reporters, he said, "We'd like to encourage some self-examination about the use of sourcing coming from this investigation."

In public comments on Thursday, White House officials were far more critical of Mr. Starr's investigation than of the media. Michael McCurry, the press secretary, was relatively tame in his comments about the media coverage at

his briefing on Thursday. Asked if it embarrasses the country when the president, standing next to a foreign leader, is asked about Monica Lewinsky, he said: "You are all pursuing this matter, and have pursued it with some zeal, and I think they, frankly, expect that."

Several reporters said they were receiving telephone calls from White House officials urging them to be careful in using leaks.

"Nobody has called up and said, 'He's a criminal,'" said Claire Shipman, a White House correspondent for NBC News, referring to Mr. Starr.

"They're clearly trying to get their message out — and they're doing it in a fairly systematic way. But, so far, not in a threatening way."

Ms. Shipman dismissed the notion that reporters were being unfair.

"The White House would have to give us a little more credit than that," she said. "Everybody understands that every party in this investigation and crisis has an agenda. The White House has a very clear agenda as well."

The truth is that leaks — the unauthorized disclosure of secret or sensitive information — are a fact of life in every branch and every level of government. "The executive branch leaks like a sieve," said George Tenet, the director of central intelligence, in public testimony last week. "And there is no doubt about that. And you look at it carefully and there is guilt everywhere."

Mr. Starr said he had agreed to grant Ms. Lewinsky full immunity from prosecution in exchange for her testimony but that Mr. Starr was continuing to pressure her into making statements "that are not true."

Mr. Starr said his office could not grant Ms. Lewinsky immunity because his investigators had not been given a face-to-face interview with her. The prosecutor wrote that "there is no substitute for looking a witness in the eye."

In response, Mr. Ginsburg said in his statement: "His continued insistence that he cannot have a face-to-face talk with Ms. Lewinsky has no basis in fact."

Mr. Starr's office declined to make an immediate comment.

If granted immunity, Ms. Lewinsky could testify freely about any relationship she had with President Bill Clinton without fear of being prosecuted for contradicting earlier statements or participating in a cover-up.



Monica Lewinsky and her stepmother, Barbara Lewinsky, pushing through a crowd of reporters as they leave a Santa Monica, California, restaurant. The struggle over her bid for immunity from prosecution continued.

## Ginsburg Accuses Starr of Pressure

Lewinsky's Lawyer Says She Was Secretly Granted Immunity

The Associated Press

WASHINGTON — William Ginsburg, the Los Angeles attorney who represents Monica Lewinsky, says that the office of Kenneth Starr, the special prosecutor, is trying to "pressure Ms. Lewinsky into statements that are not true."

Earlier, Mr. Starr said his office was being denied a face-to-face interview with Ms. Lewinsky, a claim that Mr. Ginsburg denied.

Mr. Ginsburg, in his statement Thursday, said Mr. Starr secretly had agreed to grant Ms. Lewinsky full immunity from prosecution in exchange for her testimony but that Mr. Starr was continuing to pressure her into making statements "that are not true."

Mr. Starr said his office could not grant Ms. Lewinsky immunity because his investigators had not been given a face-to-face interview with her. The prosecutor wrote that "there is no substitute for looking a witness in the eye."

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## POLITICAL NOTES

## Democrats Block Cloning Ban

WASHINGTON — Senate Democrats have blocked action on a Republican-backed bill to ban human cloning, saying it could slow the hunt for cures for cancer and other diseases. The Democrats want to work out a compromise.

The Senate majority leader, Trent Lott of Mississippi, said a vote would be held next week to end the Democratic hold and move the bill toward a final vote.

Republicans denied that their legislation, which bans a certain procedure used to produce human cloned embryos, would impede medical research. The bill would ban a procedure known as somatic cell nuclear transfer — the method used by Scottish scientists in cloning a sheep — to create human embryos. (WP)

## Gingrich Likes Idea on Surplus

WASHINGTON — Newt Gingrich, the Georgia Republican who is speaker of the House of Representatives, has endorsed President Bill Clinton's call for using future budget surpluses to help shore up Social Security until there is a long-term plan for preserving the system against the tide of baby-boomer retirements.

He said he favored treating the \$218 billion of projected budget surpluses over the next five years as a "reserve fund" to guarantee retirement benefits. (WP)

## The Reagan Airport Takes Off

WASHINGTON — President Bill Clinton on Friday signed a bill changing the name of Washington National Airport to Ronald Reagan Washington National Airport as the former Republican president celebrated his 87th birthday. "He is in our thoughts and prayers," Mr. Clinton said. (AP)

## Quote/Unquote

Donovan Campbell, Paula Jones's lawyer, responding to President Bill Clinton's request for an early trial: "He realizes he is guilty of the alleged criminal activity and fears the continued scrutiny of his long-standing pattern and practice and habit of abusing his governmental positions of power for his own selfish, self-gratifying purposes at the expense of legions of women." (NYT)

## Away From Politics

• The launching of a Delta II rocket carrying telecommunications satellites from the Cape Canaveral Air Station in Florida was scrubbed again because of strong winds. (Reuters)

• The Justice Department is warning women's clinics to be wary of packages that could hide explosives in the wake of the bombing of a clinic in Birmingham, Alabama, this week. (AP)

• A former teacher from Seattle convicted of child rape was sentenced to seven years in prison for violating parole by meeting with the 14-year-old father of her baby. (AP)

• A federal jury awarded \$786,257 to three waitresses who accused the Rustic Inn Crabhouse in Fort Lauderdale, Florida, of discrimination for shifting them to lower-paying jobs during pregnancy. (AP)

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For more information, contact WOTM: Phone: +33(1) 45.66.44.37 Fax: +33(1) 45.66.45.37 or +33(1) 40.65.96.59 Website: <http://www.wice.org/wotm98> E-mail: [wotm@wif.fr](mailto:wotm@wif.fr)



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RELIGIOUS SERVICES	
<p><b>AMSTERDAM</b></p> <p>CROSSROADS INTERNATIONAL CHURCH (Interdenominational &amp; Evangelical) Sunday Service 10:00 a.m. &amp; 11:30 a.m.; Kids Worship, De Ceuvelstraat 9, S. Amsterdam Info: 020-641 8812 or 020-6451 653.</p> <p><b>FRANCE/TOULOUSE</b></p> <p>HOPE INTERNATIONAL CHURCH (Evangelical), 4, bd de Pibrac, Colmar. Sunday service 8:30 p.m. Tel: 05 72 74 11 55.</p> <p><b>FRENCH RIVIERA/CÔTE D'AZUR</b></p> <p>NICE: Holy Trinity (Anglican), 11 rue Buis, Sun. 11: VENCE: St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 35 57 19 53.</p> <p><b>FRANKFURT</b></p> <p>English Speaking International Catholic Parish, St Leonhard, Alta Mainzer Gasse 6, 60311 Frankfurt, Germany. Tel: 069-283177. Mass schedule: Saturday 5 p.m., Sunday: 10 a.m., Confessions: 12 hour before Mass.</p> <p><b>PARIS AND SUBURBS</b></p> <p>EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. Worship: 9:45 - 11:00 a.m. Sunday School. For info Tel: 01 47 51 29 63/01 47 49 15 29 or <a href="http://www.gocities.com/Paris/Metro1332">http://www.gocities.com/Paris/Metro1332</a>.</p> <p>HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd de Nautilus, Workshop Sundays, 10:00 a.m. Rev. Bill Rönzheimer, Pastor. T: 01 43 38 04 08, Metro 1 to la Défense Esplanade.</p> <p>SAINT JOSEPH'S CHURCH (Roman Catholic, MASS IN ENGLISH) Sat. 6:30 p.m.; Sun. 8:45 a.m., 11 a.m., 12:15 p.m., 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel: 01 42 27 28 56. Metro: Charles de Gaulle - Étoile.</p> <p><b>ZURICH-SWITZERLAND</b></p> <p>ENGLISH-SPEAKING CATHOLIC MISSION, St. Anton, Minervastrasse 63. Sunday Mass: 8:30 a.m. &amp; 11:30 a.m. Services held in the crypt of St. Anton Church.</p>	<p><b>UNITARIAN UNIVERSALIST</b></p> <p>"Unitarian-Universalists: a Liberal Faith" will be the subject of the Rev. David Monk's sermon at the February 8 service of the UNITARIAN UNIVERSALIST FELLOWSHIP OF PARIS, 12 noon, Foyer de l'Opéra, 7bis, rue du Pasteur-Wagner, 75011 Paris. Metro Bastille. Non-dogmatic religious education for children and teens. Meditation and spiritual growth groups. Social activities. Service a member's home. March 1. Information: 01 30 82 75 33.</p> <p><b>THE EPISCOPAL CHURCHES OF EUROPE (Anglican)</b></p> <p><b>PARIS AND SUBURBS</b></p> <p>THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 &amp; 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evansong, 23, avenue Georges V, Paris 75008. Tel: 33-01 53 23 84 00. Metro: George V or Alma Marceau.</p> <p><b>FLORENCE</b></p> <p>ST. JAMES' CHURCH, Sun. 9 a.m. File 1 &amp; 11 a.m. File 1. Via Bernardo Rosselli 9, 50123, Florence, Italy. Tel: 39055 29 44 77.</p> <p><b>FRANKFURT</b></p> <p>CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 &amp; 11 a.m. Sunday School and Nursery 10:45 a.m. Schönbühl Platz 2, 60323 Frankfurt, Germany. Tel: 2 3 Miquel-Alba. Tel: 4969 55 01 94.</p> <p><b>GENEVA</b></p> <p>EMMANUEL CHURCH, 1st &amp; 3rd Sun. 10 a.m. Eucharist; 2nd &amp; 4th Sun. Morning Prayer, 3 rue de Montoux, 1201 Geneva, Switzerland. Tel: 4122 732 80 78.</p> <p><b>MUNICH</b></p> <p>THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Hartmannsdorfer Kirchhof). Tel: 4969 64 51 85.</p> <p><b>ROME</b></p> <p>ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist File 1: 10:30 a.m. Choral Eucharist File 1: 10:30 a.m. Church School for children &amp; Nursery care provided: 1 p.m. Spanish Eucharist. Via Napoli 59, 00184 Rome. Tel: 396 488 3399 or 396 474 3669.</p>
<p><b>BRUSSELS/WATERLOO</b></p> <p>ALL SAINTS' CHURCH, 1st Sun. 9 &amp; 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 583 Chaussée de Louvain, Ohain, Belgium. Tel: 392 354-3555.</p> <p><b>WIESBADEN</b></p> <p>THE CHURCH OF ST. AUGUSTINE OR CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel: 4961130.6674.</p> <p><b>EUROPEAN BAPTIST CONVENTION</b></p> <p><b>BERLIN</b></p> <p>L.B.C., BERLIN, Rönthgenstr. 13, 10117 Berlin. Tel: 300 11 04.5; worship Service 12:00 noon. Charles Ward, pastor. Tel: 300 774-4570.</p> <p><b>BRATISLAVA - SLOVAKIA</b></p> <p>L.B.C., The Ivanka, Karlovska 84, Auditorium 1048. Worship Sun. 10:30. Tel: (07) 715357.</p> <p><b>BREMEN</b></p> <p>L.B.C., Hohenlohestr. Hermann-Rose-Str. 17. Sun. 10:30. Pastor: telephone: 0421-78 648.</p> <p><b>BUCHAREST</b></p> <p>L.B.C., Strada Popea Puiu 22. 3:00 a.m. Contact Pastor Mike Kemper, Tel. 312-3600.</p> <p><b>BUDAPEST</b></p> <p>L.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:30. Tel. 250-3932.</p> <p><b>BULGARIA</b></p> <p>L.B.C., World Trade Center, 36, Drahov Tzarikov Blvd. Worship 11:00. James Dale, Pastor. Tel: 971-2162.</p> <p><b>DARMSTADT - GERMANY</b></p> <p>L.B.C., Wilhelm-Leuschner Str. 104, Darmstadt-Griesheim, Bible Study Sun. 10:30. Tel: (061) 9141-0255.</p> <p><b>FRANKFURT</b></p> <p>INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev-Friedrich-Gemeinde, Sodenerstr. 11-18, 60509 Bad Homburg. Sunday Worship, Nursery &amp; 8:30-11:20 A.M. Mid-week ministries, Pastor M.Lewy. Call/Fax 06173-62728.</p> <p><b>BETHLE L.B.C.</b> Am Oachsberg 82 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel: 069-548553.</p> <p><b>HOLLAND</b></p> <p>TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services 8:00 and 10:30 a.m. Boercampen 134, Wassenaar 070-517-9024 nursery prov.</p>	<p><b>NICE - FRANCE</b></p> <p>L.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel: (04 93) 32 05 98.</p> <p><b>ST. PAUL DE VENCE - FRANCE</b></p> <p>St Paul de Vence - France L.B.C., Espace St Claire, Level "D", Bible Study Sun. 9:30. Worship Sun. 10:45. Tel: (0493) 320-595.</p> <p><b>PRAGUE</b></p> <p>L.B. FELLOWSHIP, Vinohradská 66, Prague 2, Sun. 11:00. Tel: (02) 311 7974.</p> <p><b>WATERLOO</b></p> <p>WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at</p>



## Governor Of Okinawa Foils U.S. On Heliport

By Mary Jordan  
Washington Post Service

TOKYO—The governor of Okinawa on Friday effectively killed plans for a new U.S. military heliport, paralyzing one of the most important defense agreements between Japan and United States in years.

"Okinawa had decided not to accept" the plan to build a floating platform anchored in Japanese waters, Governor Masahide Ota said at a news conference that he called to register his opposition. The platform was to measure 4,500 feet long (1,370-meters).

The governor said the project, which would cost from \$1 billion to \$2 billion, would only add to the "heavy burden" that the U.S. military places on the Japanese people. Mr. Ota also said he wanted all 47,000 U.S. troops to go home.

Seventy-five percent of American military bases are in Okinawa, a chain of islands south of Tokyo that accounts for 1 percent of Japan's land.

Prime Minister Ryutaro Hashimoto remains a strong supporter of the U.S. military, as does his governing Liberal Democratic Party. But Mr. Ota has considerable public appeal and power over projects within his jurisdiction.

Mr. Hashimoto, already weighed down with nation's poor economy and government corruption scandals, found Friday that Mr. Ota had unraveled perhaps the most important achievement since he has been in office.

In 1996, Mr. Hashimoto and the U.S. ambassador at the time, Walter Mondale, announced that the United States would close a huge air base, consolidate other bases and reduce by 20 percent the land it occupies in Okinawa.

This was to be the biggest change in the U.S. military status in Japan in 25 years. But U.S. officials agreed to it with the understanding that the 1,200-acre (490-hectare) Futenma Air Station would shut down when another site was found.

Privately, U.S. defense officials say Tokyo's inability to provide a new site for landing aircraft throws into question whether the national government has the power to follow through on important military agreements. For example, if there is a war with North Korea, will Tokyo refuel and repair U.S. fighter jets, as Tokyo recently agreed, or will it be captive to local pacifist opposition?

While Tokyo feuds with Mr. Ota, the big loser may be the Pentagon, because public pressure is likely to mount for a withdrawal from Futenma without an alternative site, which U.S. officials have said is vital to maintain its military readiness in the Asia-Pacific region.

The U.S. military accident in Italy this week, where an American pilot sliced through a cable wire and killed 20 skiers, has added to the hostility among Okinawa activists who want the United States to leave. "The accident in Italy again shocks us and reminds us this can happen anytime U.S. forces are near," said Zenko Nakamura, an Okinawan activist. "That is why we want a military-base-free Okinawa."

The U.S. Embassy issued a statement Friday saying that it was "aware" of Mr. Ota's statement and "confident that the government of Japan remains fully committed" to the plan to consolidate the U.S. presence in Okinawa.

Given how long it takes to approve, plan and build an air base—the floating heliport was a complicated project never before attempted—it now seems assured that Futenma will not close by 2003.

Mr. Hashimoto, clearly disappointed Friday, said the governor was effectively freezing plans for the United States to abandon Futenma. "The problem will remain just as it is now," he said.

Residents around Futenma, already caught up in grand plans to build a special economic development zone on the site of the base, reacted angrily Friday. One elected official from Ginowan City, Osamu Oshitomi, said Mr. Ota's decision amounted to "treason."

Tokyo officials have done a lot to push the floating air strip, canvassing door-to-door in Nago, the town that would be nearest the anchored heliport, and promising a windfall of lucrative development projects and appealing tax cuts. But in December voters rejected the heliport by a vote of 16,639 to 14,267.

A mayoral election Sunday in Nago is shaping up as the second referendum on the military base. All polls predict the anti-heliport candidate will win, and Mr. Ota's remarks Friday bolstered the chances for this outcome.

## JAKARTA: U.S. Admiral Fears Instability

Continued from Page 1

regime has so far contained these forces.

Colonel Thomas Boyd, chief of public affairs at the headquarters of the U.S. Pacific Command in Honolulu, questioned Friday about news agency reports of Admiral Frueh's remarks, said they were fairly accurate.

"Any time a country looks as though it could be less than cooperative with the rights of transit passage through international straits would be of concern to us," Colonel Boyd said. "We do not think we are looking at that in Indonesia, but we are worried about how things are going there."

Two of the three U.S. aircraft carriers now in the Gulf off Iraq, accompanied by escorting ships and submarines, reached there from the Pacific through the Malacca Strait.

"The United States," said Charles Morrison, a regional security specialist at the East-West Center in Honolulu, "has a major interest in doing



Rahul Gandhi, pointing at a Calcutta crowd, with his mother, Sonia.

## Another Gandhi Enthralls India

By John F. Burns  
New York Times Service

CALCUTTA—Day by day for most of the past month, Sonia Gandhi has drawn vast crowds across India to witness a mesmerizing odyssey—a bid by this 51-year-old native of Italy to follow in the footsteps of her assassinated husband and mother-in-law and take control of India's turbulent politics.

The scene that played out Thursday before a setting sun on the vast, grassy common in the center of Calcutta was like dozens of others since Mrs. Gandhi finally took the plunge into politics that Congress (I) Party stalwarts had urged, and she had avoided, since the suicide bombing that killed her husband, Rajiv, in 1991.

Like rolling thunder, the crowd that stretched into the distance raised repeated cries of "Sonia Gandhi zindebad!" ("Long live Sonia Gandhi"), as Mrs. Gandhi, in a maroon sari and with her son, Rahul, 25, at her side, ended her 10-minute speech.

As elsewhere on her campaign, she spoke almost entirely in Hindi, reading from a romanized text with a fluency that seemed to thrill many who heard it, despite her Italian accent and an occasional stumble over tortuous words.

At rallies everywhere, from Tamil Nadu state in the deep south to the semi-desert region of Rajasthan in the west to the teeming heart of West Bengal on Thursday, Mrs. Gandhi has shown a stunning ability to pull the sort of crowds as many as 250,000 people—that regularly turned out for Rajiv Gandhi and Indira Gandhi, his mother.

Mr. Gandhi was assassinated while he was campaigning for a second term as

prime minister. His mother was prime minister when she was assassinated by her own guards in 1984.

But it is not only Sonia Gandhi's crowd-pulling ability and her success in overcoming the fact that she has been an Indian citizen only since 1984 that have stunned many Indians.

Despite a previous reputation as an introvert with a deep distaste for the hurly-burly of Indian politics and a privately expressed fear of the specter of another assassination, Mrs. Gandhi has dominated the current election campaign with a barnstorming style that has pumped new hope into the deflated balloon of the Congress (I) Party.

General elections are scheduled between Feb. 16 and March 7.

Mrs. Gandhi's first rally, on Jan. 11 at Srirampur in Tamil Nadu, where her husband was killed by a Sri Lankan terrorist, struck many who attended as more of a memorial service for Mr. Gandhi than a bare-knuckled political event.

But Mrs. Gandhi has since taken the gloves off, tackling issues that have been almost taboo in the Congress Party for years and striking out forcefully against the Hindu nationalist group that is the party's main rival in the election, the Bharatiya Janata Party.

At the Calcutta rally, Mrs. Gandhi assailed Hindu nationalists and at other sectarian groups, many of which are contesting the election under the banner of the United Front, a loose alliance that formed the minority government that collapsed in November.

Worried that her campaign could deny them the best chance they have ever had of gaining power, the Hindu nationalists have mocked Mrs. Gandhi, asking how

"a foreigner" and a "housewife" with an uncertain grasp of conversational Hindi can aspire to be prime minister.

Mrs. Gandhi has not said that she would want to be prime minister if Congress wins the election, and has chosen not to run for a seat in Parliament. But she has been introduced at almost every rally, as she was Thursday in Calcutta, as "the best prime minister" for the country, and most Congress veterans think that she would head the government if there was a Congress sweep, with a safe parliamentary seat being opened up in a by-election.

For the moment, she has concentrated on refuting the charge that her Italian origin disqualifies her. References to the family she married into have been woven into every speech, starting with Jawaharlal Nehru, Indira Gandhi's father, who was India's first prime minister. But more than this, she has emphasized her love for India, and the losses she has endured there.

"My heart is buried in the soil of this land, and I am at one with you," she told the Calcutta crowd.

Despite the crowds at her rallies—150,000 at Thursday's gathering in Calcutta—most Indian political commentators think that Mrs. Gandhi's effort may have come too late to have any realistic hope of returning Congress to power in New Delhi.

Unbeatable for most of the first 40 years after independence in 1947, Congress has been an increasingly sorry shell in the years since Rajiv Gandhi died. It has been ridden with corruption and cynicism, and seemingly directionless under the leadership of aged acolytes of the Gandhi family.

## UN Monitor Rejects Iraqi Offers; British Detail Weapons Stocks

By Christopher S. Wren  
New York Times Service

UNITED NATIONS, New York—The chief UN weapons investigator, Richard Butler, has told the Security Council that recent proposals floated by Iraq to defuse the crisis over weapons inspections were not good enough, according to diplomats attending the closed session.

Mr. Butler stressed Thursday that he had not seen the official Iraqi proposals, but that reports pieced together from press accounts and visits by envoys suggested that Iraq's president, Saddam Hussein, had no intention of allowing UN inspectors to fulfill their mandate given by the Security Council.

British diplomats, meanwhile, set out the case for

the existence of prohibited Iraqi weapons stocks by distributing a report by their own government that tracks Iraq's acquisition of chemical and biological weapons in even more frightening detail than Mr. Butler and his inspectors have presented publicly.

The report, which draws primarily on the special commission's findings, was given by the British foreign secretary, Robin Cook, to Parliament on Wednesday before he traveled to Saudi Arabia.

An official with the special commission described the report as a "pretty good" summary of what is known about Iraq's development of weapons of mass destruction, but singled out a minor inaccuracy.

According to the report, the special commission determined that Iraq produced 4,940 gallons

(18,670 liters) of botulinum toxin, 2,184 gallons of anthrax and a total of 520 gallons of aflatoxin, which causes liver cancer, and clostridium, which causes gas gangrene. The officials said that these were only what Iraq admitted to having produced, and that the actual quantity could be more.

Since the Gulf War, the British report said, UN weapons inspectors have destroyed 38,000 chemical weapons components, 124,800 gallons of live chemical weapons agents, 48 operational missiles, six missile launchers and 30 special missile warheads for chemical and biological weapons.

The inspectors also found that the Al Hakam factory, which Iraq asserted was devoted to making animal feed, was capable of producing 13,000 gallons of anthrax and botulinum toxin. The site

was razed. Iraq has given three versions of its status regarding chemical weapons and four versions on biological weapons, the British report said, "all shown to be seriously inaccurate."

The British report said that the special commission was concerned that Iraq may still have concealed Scud-type missiles armed with chemical and biological warheads, and that critical missile components, warheads and propellant were not accounted for. Nor are 17 tons of growth media for biological warfare agents, which is enough to make more than three times the amount of anthrax that Iraq admitted to having. In Iraq's chemical weapons program, the report said, 4,000 tons of precursors for chemical weapons and more than 31,000 chemical warfare munitions are unaccounted for.

## IRAQ: U.S. and Britain Say They Are 'Prepared to Act'

Continued from Page 1

private conversations about Iraq, noted that the pressure of potential military action had "concentrated minds" in Baghdad and produced some movement toward a diplomatic solution. But the two men also agreed they must stick to a firm standard of "unfettered and unconditional access" by UN weapons inspectors to all suspect sites in Iraq, and not be fooled by a supposed diplomatic solution at the last moment that again proves illusory.

"Having cocked and recoiled the trigger, we're getting some movement," a senior British official said. "That's not discouraging, and the fact that it may make life more complicated is O.K., because on one is itching to pull the trigger."

But the two leaders spent "most of their conversation" on ways to proceed if the Russians or French suddenly announce a diplomatic solution—"how we nail it down, and bolt it down hard."

A senior U.S. official said: "We understand that given Saddam's history, more is required

from him than just a promissory note. We need to see early, clear evidence of implementation."

The officials said that in the event of a diplomatic solution, Richard Butler, chairman of the UN Special Commission of weapons inspectors, would be pressed to ask for immediate and continuing access to the most sensitive Iraqi sites, while all British and U.S. military forces remain on station. That period of testing implementation could last several months, the officials said.

There is an understanding that for the rest of the world, in particular the moderate Arab countries, it is vital that Washington and London let diplomacy run its course for another 10 days to two weeks.

But there is a parallel wariness about being sucked into a diplomatic solution that is fake or fragile and that repeats the experience of November, when Moscow got a quickly broken promise from Mr. Saddam to allow unrestricted UN inspections.

In the news conference, Mr. Clinton repeated that the current goal was a limited one: not to

overthrow Mr. Saddam or refight the Gulf War, but to resolve "that very sharp question" about the unrestricted access of weapons inspectors in Iraq.

"I don't believe we need to refight the Gulf War," he said. "It's history. It happened, that's the way it is. I don't believe we need to get into a direct war with Iraq over the leadership of the country. Do I think the country would be better served if it had a different leader? Of course, I do. That's not the issue."

He added: "I think the precise question should be, that I should have to ask and answer is, 'Could any military action, if all else fails, substantially reduce or delay Saddam Hussein's capacities to develop weapons of mass destruction and to deliver them on his neighbors?'"

He responded: "The answer to that, I am convinced, is 'yes.' I am convinced there is a 'yes' answer there."

Mr. Blair, for his part, said that it was "absolutely essential" that Mr. Saddam be "brought back into line" and that the UN inspectors be allowed to work.

## CLINTON: President Rejects Notion That He Resign, Saying 'I Would Never Walk Away'

Continued from Page 1

"I've tried to bring the American people together. I've tried to depersonalize politics and take the venom out of it, and the harder I've tried to do it, the harder others have pulled in the other direction."

Standing with a man who has fast become a steadfast ally, and whose visit in White House eyes, could not have been better timed, Mr. Clinton listened as Prime Minister Tony Blair repeatedly urged reporters to focus on important questions like Iraq and the economy, not on the president's personal travails.

His praise for Mr. Clinton was un-

reserved: "I have found him throughout someone I could trust, someone I could rely upon, someone I am proud to call not just a colleague but a friend."

Mr. Clinton generally appeared at ease, resorting to humor more than once. Asked whether he appreciated Mr. Blair's support, he replied, "No, I... he should have come here and jumped all over me."

Amid laughter, he then said seriously that Mr. Blair had shown "a certain kind of character that I think is essential in a public leader."

He also drew laughs in fending off a question about the assertion by his wife, Hillary Rodham Clinton, that he was the target of a "vast right-wing conspiracy."

"You know," he said with a wry smile, "I've known her a long time, and she's very smart, and she's hardly ever wrong about anything, but I don't believe I should amplify on her observation in this case."

He did reveal his anger, however, about what appeared to be extensive leaks from the grand jury investigation of Mr. Clinton being led by the independent counsel, Kenneth Starr.

Grand jurors and prosecutors are barred by federal law from discussing the business of the jury, though witnesses are not. Both sides in the case appear to have heavily leaked a variety of allegations to the press, producing what some parties have complained is a "war of the leaks" that mocks the principle of grand jury secrecy.

"I'm honoring the rules of the investigation," Mr. Clinton said, "and if someone else is leaking, unlawfully, out of the grand jury proceeding, that's a different story."

The judge hearing the Paula Jones sexual harassment lawsuit against him issued a "gag order" in the case; there is no legal reason, however, that the president could not comment on the separate matters investigated by the grand jury.

Mr. Starr, speaking in Little Rock, Arkansas, said Friday that he was seeking the source of possible leaks. "I do not have an explanation," he said. "I am very concerned. I take it very seriously."

"If there was an action of unprofessional action," he said, "I'm confident we will find it out. I don't know that there was."

Mr. Clinton, asked about reports that his attorneys were considering legal action against the source of the apparent leaks, referred reporters to his attorneys.

The Associated Press reported that David Kendall, one of Mr. Clinton's private attorneys, was considering filing a motion before the special three-judge federal appeals court that appointed Mr. Starr, asking the panel to investigate the leaking of secret grand jury testimony.

The New York Times article about Mrs. Clinton clearly unchained a nerve in the White House. The Times reported that Mr. Clinton had called Mrs. Clinton, his personal secretary, into his office on Jan. 18 and led her through an account of his relationship with Ms. Lewinsky that differed on one point from her recollection—the question of whether the president and Ms. Lewinsky were ever alone.

The Times quoted lawyers familiar with her account as saying that she had told investigators that the two were sometimes alone.

Mr. Clinton said he was pleased that Mr. Wechsler, his secretary's attorney, had stated "unambiguously" that she was "not aware of any unethical conduct."

Separately, a White House official said later that Mr. Clinton, in his meeting with Mrs. Clinton, was trying to "jog his own memory," not to alter her account.

The meeting came a day after Mr. Clinton provided a six-hour deposition, under oath, in the Jones civil suit. A lawyer who reviewed the president's testimony quoted Mr. Clinton as saying

that he could not recall being alone with Ms. Lewinsky, but that if they had been, it would have been briefly and on official business, *The Times* said.

It said Mrs. Clinton had met secretly with Mr. Starr's investigators. It was Mrs. Clinton who often signed Ms. Lewinsky into the White House on the visits she paid after she left employment there.

The Times reported that Mrs. Clinton had retrieved gifts from the president to Ms. Lewinsky, including a dress, a brooch and a hat pin, and turned them over to investigators.

The White House spokesman, Michael McCurry, responded angrily to the report in *The New York Times* and a similar one in *The Washington Post*.

He said he agreed with Mr. Lewinsky's lawyer, William Ginsburg, that Mr. Starr was engaged in an "orchestrated campaign" to pressure Ms. Lewinsky to provide an untrue account of her story. "I think this is approaching the point where it's beyond appalling and it's dangerous."

Meanwhile, Linda Tripp, a former White House aide and friend of Ms. Lewinsky's, has given Mrs. Jones' attorneys an affidavit saying Ms. Lewinsky told her that she had an affair with Mr. Clinton that began Nov. 15, 1995.

The Washington Post printed Ms. Tripp's affidavit, sworn out Jan. 21. Ms. Tripp secretly recorded 20 hours of conversations with Ms. Lewinsky in which the younger woman spoke about the alleged affair and an alleged attempt by Mr. Clinton and his friend Vernon Jordan Jr. to get her to lie about it.

Mr. Clinton also insisted at the press conference Friday that he had told the truth in his denial in 1992 that he had had an affair with Gennifer Flowers, an Arkansas newswoman and later state employee, and that he also told the truth when he reportedly admitted to some sexual relationship with Ms. Flowers.

## KOREA: Accord on Layoffs

Continued from Page 1

eration of Korean industries, an organization of chaebol chairmen, said it showed "our strong will to overcome the current crisis" and promised "every effort to re-engineer management transparency," one of the demands of the International Monetary Fund in its \$60 billion credit package last year.

Scores of Korean companies are expected to go bankrupt in the coming months while others struggle to survive in the face of sharply falling domestic sales, mounting debts and nowhere to go for the easy credit on which they relied before the country's debt crisis.

Ahn Pong Sul, international director of the Federation of Korean Trade Unions, predicted the nation's unemployment figure of 660,000 would at least double by the end of the year.

Throughout the talks, the unions demanded provisions under which company owners and executives would suffer along with the rank-and-file. That effort was reflected in the declaration of the tripartite committee that all sides had agreed on—"the social contract to equally and sincerely share the pain in the course of economic restructuring."

"Management will be allowed to dismiss workers only if it is unavoidable," said the layoff provision.

Companies have to give 60 days' notice of layoffs both to the Ministry of Labor and to the workers and their union and must rehire them as soon as possible.

Mergers and acquisitions count as a "management crisis" under which layoffs might be necessary.

The legislation would cushion the blow of dismissal for workers by providing unemployment insurance, welfare benefits and job retraining.



## Mandela Sets Tough Targets In Economics For Country

Compiled by Our Staff From Dispatches

CAPE TOWN — President Nelson Mandela set tough economic and social targets Friday for South Africa ahead of elections next year that will close the first phase of transition from apartheid to democracy.

In his annual speech at the opening session of Parliament, Mr. Mandela said the government would remain committed to the tough targets of Finance Minister Trevor Manuel's growth and reconstruction program and urged the public to adopt a new morality against crime and self-enrichment.

"This is our call to all South Africans — to firm up the moral fiber of the nation," he said.

Mr. Mandela also announced plans to trim public-sector jobs, which, in spite of early promises to cut the state payroll, have grown by about 10 percent under democracy to 1.2 million employees in national and provincial governments.

"The government is not an employment agency," he said, but added, "Negotiations will need to take into account the principle that shedding jobs in the public service does not necessarily have to translate into worsening the problem of unemployment."

Mr. Manuel said later that an announcement of targets for job cuts would undermine negotiations with the public-sector unions that are to start within two weeks.

"What is clear is the fact that the president this morning said there is no room for equivocation," he said. "We've got our battle orders to get this thing in line."

Bond and foreign-exchange markets largely ignored Mr. Mandela's remarks, with analysts saying they were "nothing new," while opposition critics called the speech rhetoric.

Tony Leon, leader of the business-oriented Democratic Party, said the speech was unsatisfactory and unconvincing.

"The president announced no new measures to speed up privatization, reduce taxation or get rid of restrictive labor legislation," he said. "These are all essential ingredients of our future economic growth."

Mr. Mandela, who will be 80 in July, plans to retire when black and white South Africans vote next year for only the second time together.

Officials said his deputy and heir apparent, Thabo Mbeki, was deeply involved in writing the speech, which showed no relaxation of the commitment to fiscal discipline that has been a trademark of Mr. Mandela's administration.

Mr. Mandela restated the government's commitment to cutting the budget deficit in the next two years to 3 percent of gross domestic product from 5 percent of gross domestic product last year.

"We cannot pretend that the deficit targets we have set ourselves do not test our capacity and will," he said. "But we cannot divert from the course we have chosen. There is no other route to sustainable development."

He said South Africa would continue to privatize some state assets and to eliminate remaining foreign-exchange controls, which now affect residents but not foreign investors.

But he added that privatization would never become an ideology. Those who benefited from apartheid — meaning the white minority — should help the country progress instead of stubbornly resisting change, Mr. Mandela said.

"This is a challenge to all of us, especially those whose past privileges have afforded them skills that are high in demand in public service, to volunteer skills to help improve the lot of the nation," he said. (Reuters, AFP, AP)



President Mandela during the opening session of Parliament on Friday.

## South Africa Tries to Give Tough Journalist the Boot

By Donald G. McNeil Jr.  
New York Times Service

JOHANNESBURG — In what critics say looks like an attempt to silence an irritating journalist, South Africa is deporting a prominent reporter who has written many articles that angered government officials.

The reporter, Newton Kanheba, a Zimbabwean, learned from news reports that he has lost his permanent resident status. The government says he falsely claimed on an immigration document to have lived here since 1991 but only moved permanently in 1992.

Mr. Kanheba is in the United States on a fellowship. But his wife, Jean, has been visited several times by immigration officials demanding that she leave by Wednesday. The government contends this is a routine deportation; Mr. Kanheba's backers say it is an effort to drive him out and deny him a court challenge by ejecting his wife while he is overseas.

Raymond Louw, deputy chairman of the Freedom of Expression Institute here, said: "It looks like they're using a technicality to get rid of a good professional journalist. Over the last few months, one gets the impression that the higher echelons of the ANC are trying to — I hesitate to use the word 'intimidate' — but to 'bring the press to order.' This is a government without a lot of experience of a watchdog press in a democratic environment."

Mr. Kanheba, an investigative and political reporter for the Sunday Independent and The Star, the country's largest newspaper, has written many articles that embarrassed the administration. Last year, he uncovered a \$1.5 billion deal to sell artillery to Saudi Arabia that Denel, a government-owned armsmaker, was trying to keep secret. He later revealed that South Africa gave sanctuary to several generals who fled what was then Zaire with millions of dollars after the fall of the longtime dictator, Mobutu Sese Seko.

In November, on the eve of the ANC convention at which President Nelson Mandela handed over control of the party to his successor, Deputy President

Thabo Mbeki, Mr. Kanheba interviewed Mr. Mandela's former wife for a story in which she scathingly attacked the party leadership.

He recently wrote an article saying that the party, which is deeply indebted, was seeking money from Malaysian businessmen, but that some of the donations ended up in private accounts.

## Lagos Names a Street After Farrakhan

The Associated Press

LAGOS — City officials have renamed the street in front of the U.S. Embassy here after the Nation of Islam leader, Louis Farrakhan, two weeks after a New York City corner was named for the slain wife of a Nigerian dissident.

The renaming of Eleke Crescent was done "in honor of the indefatigable visionary leader," said Alhaji Yahaya Dosunmu, a local official.

At the ceremony Thursday, no mention was made of the renaming in New York City, but the move was widely seen as retaliatory.

Over the objections of the Nigerian government, a street corner opposite the Nigerian UN Mission in New York was named Kudirat Abiola Corner.

Nigeria contended that the name was selected to embarrass the West African country.

Kudirat Abiola was the wife of Moshood Abiola, who is widely thought

## Paris Will Demote Its Ties With African 'Backyard'

Ministry on Ex-Colonies Faces End of Autonomy

By Charles Trueheart  
Washington Post Service

PARIS — The government of Prime Minister Lionel Jospin has outlined a potentially far-reaching reform of France's relationship with its African "backyard," a sphere of influence dating from the colonial era that once guaranteed Paris the support of a major bloc of African votes at the United Nations.

Since the French colonial empire in Africa gave way to independence nearly 40 years ago, Paris has maintained close ties to most of its former colonies through a de facto ministry for African affairs known as the Ministry for Cooperation, a powerful agency virtually independent of the rest of France's diplomatic apparatus.

Over the years, French leaders, beginning with President Charles de Gaulle in the 1960s, have yearned to drive a stake through the heart of the Cooperation Ministry. But they have always surrendered to pressures from the bureaucracy and its constituency — African leaders who saw the ministry as their special conduit to political influence and reform aid.

The new reform plan reflects both France's continuing retrenchment in Africa as the United States becomes more active there and its desire to forge economic relationships in English-speaking African countries, notably South Africa. The plan represents a new phase in France's efforts to break out of almost four decades of quasi-colonialism and another step in the rejiggering of global relationships in the post-Cold War era.

Since it was installed eight months ago, Mr. Jospin's Socialist government has signaled its desire to break with past policy toward Africa.

France's military presence on the continent is being cut by one-fourth, and this month it will participate with the United States and Britain in training French-speaking African soldiers for peacekeeping operations on the continent — a tacit relinquishment of France's exclus-

ive military domain that would have been unthinkable even five years ago.

Thus far, Mr. Jospin's government has worked effectively on the African dossier with President Jacques Chirac, whose Gaullist party was defeated in legislative elections last year. Although he swore three years ago on a visit to Benin that the cherished Cooperation Ministry would exist as long as he was president, Mr. Chirac gave his blessing to the Jospin plan.

The machinery of the reform is bureaucratic: The Cooperation Ministry will be absorbed into the Foreign Ministry, where, at least in theory, Africa will be a world region like any other. Charles Josselin, the cooperation minister, said Paris would cease to have a separate foreign policy for French-speaking African countries.

When the reforms are refined and put in place this year, Mr. Josselin will become a junior minister under Foreign Minister Hubert Vedrine. But he will keep a place at the cabinet table to reassure African leaders who fear they will lose their clout and privileged access.

Such are the sensitivities about this move that every official effort has been made to stress that France is not abandoning its special friends. Because of its high levels of poverty, French-speaking Africa will continue to constitute a "priority zone of solidarity" for French developmental assistance, officials said Thursday.

"No one will lose," Mr. Vedrine said. At stake for developing countries is French foreign aid that amounts to almost \$8 billion a year — on a per capita basis, more than three times the U.S. foreign aid budget. About two-thirds of it goes to African countries.

The change also will enable France to act in concert with other donor nations and organizations, such as the United Nations and the World Bank. French aid has been heavily redirected in recent years through those organizations, limiting direct largesse to favored countries.

## BRIEFLY

### North Korean Aide Defects to the South

SEOUL — A North Korean diplomat defected Friday to South Korea, saying he had little hope for the survival of his country's Communist regime.

Kim Dong Su, 38, a third secretary at Pyongyang's mission to the UN Food and Agriculture Organization in Rome, said he stepped off a plane at Gimpo Airport with his wife and 8-year-old son.

"I increasingly felt uncertain of the future of North Korea, where food shortages are getting worse and children are starving to death," Mr. Kim said before Seoul government officials escorted him away for questioning. (AP)

### A Suicide Bomber Kills 9 in Sri Lanka

COLOMBO — At least nine people were killed when a female suicide bomber detonated explosives strapped to her body at a military checkpoint Friday in Colombo, the Sri Lankan capital, the police and witnesses said.

The explosion occurred only hours after Prince Charles of Britain left the island after a visit to mark Sri Lanka's 50th independence anniversary. Government forces had been on high alert for attacks by Tamil Tiger rebels.

No group had claimed responsibility for the blast. (Reuters)

### Colombia Ambush

BOGOTA — Colombian rebels set off dynamite blasts and then opened fire as a police patrol passed on a country road Friday, killing eight officers and wounding two others, the authorities said.

The police said the National Liberation Army, the nation's second-largest guerrilla group, was responsible for the ambush near Sardinata, 420 kilometers (260 miles) north-east of the capital, Bogota. There were no reports of rebel casualties. (AP)

### For the Record

Indonesia strongly criticized the United States on Friday for its 1997 human rights report, saying it was biased and unbalanced. The State Department report last week said the government repressed political opposition. (Reuters)



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## BOOKS

### PILLAR OF FIRE: America in the King Years, 1963-65

By Taylor Branch. 746 pages. \$30.

Reviewed by Jeff Shesol

IN "Pillar of Fire," the second volume of Taylor Branch's civil rights trilogy, Martin Luther King Jr. is nothing quite so simple as a man or myth. To Branch, King is a metaphor — "the best and most important metaphor for American history in the watershed postwar years." King is the "pillar of fire" of the book's title, buttressing the civil rights movement with his moral strength and energizing it with his rhetorical fervor.

Branch's epic first volume, the Pulitzer Prize-winning "Parting the Waters," spanned a full decade; "Pillar of Fire" covers less than three years. Still, these were, as Branch argues, "the movement's peak years." After the brutality of Birmingham in May 1963, Branch explains, "leaders of every rank groped for responses to a coming flood. Race, so long conceived as a distant element of nature, slow-moving as a bank of rain clouds, suddenly bubbled up everywhere to sweep away the prevailing notion that passion was the enemy rather than the friend of racial goodwill. Where reason had wobbled, a tide of emotion swept forward conviction that segregation was fragile and that human nature

contained untapped reserves for improvement."

Branch describes the torrent that followed — "Freedom Summer," the filibuster and passage of the civil rights bill, the beatings in St. Augustine and riots in New York City, the murders of Medgar Evers and Malcolm X — in gripping detail, his prose moving swiftly and effortlessly from the White House to a Selma, Alabama, jail to Bogu Chino Swamp in Mississippi, where the smoldering car of three murdered civil rights workers was found in June 1964. This is, for the most part, heavily trafficked territory, so Branch may be forgiven if "Pillar of Fire" is neither as seminal nor as singular an achievement as "Parting the Waters." But here, as before, Branch spins an intricate, seamless web of politics and personalities, ambition and imagination, triumph and tragedy.

The subtitle of Branch's trilogy is "America in the King Years." Yet it is worth noting that "Pillar of Fire" begins not with a nonviolent victory but with a bloody battle between Black Muslims and Los Angeles police in 1962. This riot, virtually forgotten by historians, heralded the arrival of Malcolm X in the national arena, and from the first pages of Branch's book one senses that the political ground has shifted beneath King. Malcolm X, the brash Muslim, was stealing the spotlight from nonviolent veterans like

Ralph Abernathy and Roy Wilkins, who were quickly fading from view. The movement's triumphs notwithstanding, forgiveness was becoming a harder sell than "enemy-ism."

In September 1963, after a dynamite blast killed four young girls in a Birmingham church, even some of King's advisers pressed him to lash out to attack the oppressors. Yet King "renounced" no one, Branch writes. "Instead, he exhorted listeners to bridge rather than exploit gulfs of separation. . . . He wobbled on a sensitive spot, desperate to move but stuck in melancholy, confessing that his leadership was 'standing still, doing nothing, going nowhere.'"

Despite his own pessimism, King persevered: His moral vision remained clear and focused, his rhetoric strong and stirring. As the months passed, however, he was increasingly beset by financial pressures, beleaguered by jealous and feuding colleagues, stalked and intimidated by J. Edgar Hoover's FBI, and haunted by the constant threat of violence.

Malcolm X and Martin Luther King Jr. animate but do not dominate Branch's story. The author is as egalitarian as his subjects: Branch renders unsung activists like Vernon Dahmer, a Mississippi farmer, as completely as he does power players like Lyndon Johnson, Adam Clayton Powell, Allard Lowenstein, and a host of rabbis and clergymen

make brief but memorable appearances in "Pillar of Fire."

The breadth of Branch's cast of characters is one of his book's greatest virtues. However, he must backtrack considerably to introduce figures like Malcolm X, peripheral in the first volume (in which Malcolm garners three brief references) but critical in the second. Thus, in a rather shapeless introductory section that amounts to 169 pages of scene-setting, Branch revisits events like Birmingham and the March on Washington, approaching them from different angles. Since it is not always clear where Branch is headed, this opening section, like those that follow, would benefit from clearer signposts.

STILL, "Pillar of Fire" provides a clear-eyed, panoramic view of the civil rights community at a triumphal moment — the end of legal segregation — before violence and division tore the movement apart.

Jeff Shesol, author of "Mutual Contempt: Lyndon Johnson, Robert Kennedy and the Feud that Defined a Decade," wrote this for The Washington Post.

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## EDITORIALS/OPINION

# Herald Tribune

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## Loose Lips

With the United States gearing up for war against Iraq, it is not surprising that rhetoric about the crisis is escalating. But loose talk among Republican leaders about removing Saddam Hussein and Boris Yeltsin's references to a new world war are not helpful. This confrontation is dangerous enough without political grandstanding.

There is a wonderful simplicity to the idea of sacking Saddam.

Remove him, the theory goes, and a democratic Iraq will be born, renouncing the use of weapons of mass destruction and committing itself to live in peace with its neighbors. The notion offers a clean, swift end to a stalemate with Iraq that could well entail a series of American air strikes aimed at punishing Baghdad but not eliminating Saddam.

The reality is a good deal more sobering. The only sure way to remove Saddam is to invade Iraq, occupy Baghdad and either capture the Iraqi leader or force him into exile. If Trent Lott and Newt Gingrich want to be rid of Saddam, they must be prepared to send an army of at least several hundred thousand American combat troops to Iraq and accept the risk that many of them will be killed in an invasion.

If the idea is to bomb Iraq and rally Saddam's opponents to overthrow him, there is little chance of success. The failure of recent American clandestine operations in Iraq suggests that Saddam's hold on power is too strong and that his opponents are too divided to create optimal conditions for a successful coup, even if Amer-

icans wanted to endorse that kind of intervention. Assassination is, for sound moral and political reasons, prohibited by a series of presidential executive orders and would only invite hostile foreign governments to use similar tactics against American leaders.

If Saddam were removed, there is a chance that he would be replaced by someone equally repugnant or, more likely, that Iraq would splinter and be riven by civil war. Given Iraq's extensive oil reserves and its proximity to countries that might be tempted to exploit such instability, including Iran, that is not necessarily a welcome outcome.

There is understandable impatience with the prospect that American air strikes would wound but not disable the Iraqi regime, and might not secure full access for United Nations inspectors bunting for chemical and biological weapons. That is a problem that President Bill Clinton and his military advisers must try to solve as they plan military action.

Moving directly to an invasion, which would take months to organize, is not the answer.

For now, the emphasis in Washington and Moscow should be on gaining Iraqi cooperation by diplomatic means, backed by the threat of force.

If diplomacy fails to secure unrestricted access by UN inspectors, American and British air strikes will be justified. By irresponsibly warning of a wider war, Mr. Yeltsin only makes the work of his diplomats harder.

—THE NEW YORK TIMES.

## Cruel Cuba Embargo

Bending to winds strengthened by the Pope's visit, leading American supporters of a particular line on Cuba have changed course. From denying food and medicine to the Cuban people in order to drive them to revolt against their Communist rulers, Senator Jesse Helms, Republican of North Carolina, and the Cuban American National Foundation now propose that private American citizens and even the American government donate these items to needy Cubans.

The politicians and exile groups that endorse this change deserve credit. Implicitly, they are admitting that an embargo bearing directly on the health and welfare of innocent Cubans is a cruel practice that subverts American ideals and retards change.

The new proposal contains conditions that sponsors realized might provoke Fidel Castro to turn it down, as he now has. Sponsors take such a reputation as a political victory in that it ostensibly puts the onus on the Castro regime. The conditions, leaving intact the American embargo, are meant to ensure that in the sponsorship, distribution and enjoyment of these donations, the benefits accrue entirely to the Cuban people, not to the Castro regime.

This is a good purpose, but it should not be allowed to get in the way of meeting the people's needs. If this is to be done, food and medicine shipments will have to be made through normal

commercial channels as well as through special humanitarian ones. That will require lifting some of the embargo's restrictions — a step opposed by the Miami groups and their supporters. But it is a necessary and worthy step. The deliberate infliction of pain on people Americans supposedly wish to help is an unsustainable policy.

President Bill Clinton demands Cuban "reciprocity" for any American policy softening. But Fidel Castro has gone ahead with a major concession in allowing Pope John Paul II to come to Cuba and to start renewing the spirit and organization of his church.

The ball is in the American court. What better response than to start reviewing the embargo? It was imposed nearly four decades ago, when Cuba was a pawn of an American global adversary. Now the embargo is an anomaly that isolates the United States and lets Fidel Castro play the aggrieved nationalist. Its American supporters cling to the embargo as the essential lever to bring change. But John Paul would jettison the whole thing; he regards the embargo as a "monstrous crime."

Who do you think qualifies as a better guide to the challenging of Communist power structures — Francisco Hernandez of the Cuban Foundation, Jesse Helms, Bill Clinton or John Paul II?

—THE WASHINGTON POST.

## Pooh and Friends

Visitors to the Donnell Library on New York's West 53d Street who happen upon the original Winnie-the-Pooh & Co. in their climate-controlled case might remember Maurice Sendak's comment about great children's books — that few first editions exist because they were all eaten. Pooh, Eeyore, Kanga, Tigger and Piglet show every sign of a toy life well lived — worn fur, faded colors, missing eyes and flattened stuffing.

A member of Britain's Parliament, Gwyneth Dunwoody, complained this past week that the toys — the inspiration for the classic series of children's books — "look very unhappy indeed" and ought to be returned to their native country. The response from New York was predictable. Mayor Rudolph Giuliani made some pointed comments about not being a colony anymore. Representative Nita Lowey introduced a resolution condemning an attempt "to swipe the lovable stuffed animals from their home" — and pointing out that in addition to being climate-controlled, Pooh's glass case is bulletproof.

The toys were originally the prop-

erty of Christopher Milne, a child who lived in Surrey, England, in the 1920s. His father wrote the Pooh stories about their adventures. After Christopher was grown, Mr. Milne gave the toys to his American publisher. In 1987, they were donated to the New York Public Library with the then-elderly Christopher Milne's blessing. On Thursday, even Prime Minister Tony Blair went over to the enemy and endorsed the status quo.

But despite all the American insistence that the stuffed animals are happy — nay, ecstatic — in their present home, Ms. Dunwoody was probably right in detecting signs of melancholy. Old toys always look a little pathetic. They have been left behind, and their scars are the only reminder of the long-gone boy or girl whose imagination gave them life. Pooh and Eeyore and the rest are too fragile to play with now.

Their value is as a reminder of an era when publishers did not judge children's books in terms of their spin-off potential. The library case displays proof that Pooh was a toy before he was a marketing concept.

—THE NEW YORK TIMES.

## America's Grip on Iraq Crisis: Getting Slipperier

By William Pfaff

DAVOS, Switzerland — War overshadowed economics as the 1998 World Economic Forum closed this past week in this Swiss resort. American officials made a big effort to persuade international business and government leaders that President Bill Clinton has his mind on affairs of state and is determined to settle the problem of Saddam Hussein.

The impression these officials left was that the cranked-up machinery of Iraq intimidation has now gathered such political momentum that it will not easily be stopped. That was perhaps a calculated message, but it was significant.

Mr. Clinton is vulnerable to the Republican opposition on military and foreign policy issues. The Iraqi president has shown great talent for provoking and exploiting Western opinion, dividing the Gulf War coalition by playing Washington like a maddened swordfish on the line.

Saddam Hussein wants an end to UN inspections and sanctions. He is nonetheless an isolated leader who knows little about the world outside his own region. He could miscalculate his policy this time and provoke the American juggernaut to roll over him.

But even that could discomfit the United States. Even if Bill Clinton had Iraq and the Iraqis at his mercy, what

would he do with them? That question caused George Bush to stop the Gulf War when he did.

Washington is driven by the momentum and extravagance of what both the administration and Congress have previously said about the Iraqi president, and what they have threatened to do to him if further provoked.

President Clinton insists that he truly wants a diplomatic solution. But it would be hard for him to retreat from maximum demands, with some congressmen and columnists whooping for war.

The American message delivered at Davos was that this time the United States is serious, that the decision is all but irreversible, that American attacks on Iraq will begin around the end of this month and that they will be more violent, and will go on longer, than any since the end of the Gulf War.

Washington, it is said, has concluded that force is the only thing Saddam Hussein understands.

Actually, the record demonstrates something different: that the Iraqi president understands the political use of force better than the U.S. government. It is suggested that Saddam actually

wants his country attacked, since this would reinforce his position as the Arab leader willing to defy the United States — giving him a symbolic claim to leadership of all Arabs.

An American attack would undoubtedly cause the Iraqi leader to denounce UN arms inspections and sanctions, and to reclaim full sovereignty of action. His freedom of action would have been restored, at a great price to his nation's people, a price that has never before proved to inhibit him.

Journalistic speculation has also suggested that an American attack would, in some Arab eyes, justify an Iraqi missile attack on Israel, this time with more exotic munitions aboard than rocks, as in the Gulf War. As Israel must be expected to retaliate this time, whatever Washington wants, this provides further evidence that the situation is slipping out of American control.

Most of those politicians and commentators in Washington who actually want a new Gulf war, so as to finish off Saddam Hussein, are honest enough to acknowledge that this could be accomplished only with an invasion to seize control of Iraq. Their frankness tends to chill the discussion, since American forces would have to do the invading.

There is little enthusiasm for this in administration circles. The secretary of

defense, William Cohen, has taken pains to say that there should be no "unreasonable expectations" about what can be done, while insisting that U.S. objectives can be achieved without using ground forces. This implies that the Iraqi president's ouster is not a U.S. objective. In this respect, as in others, there seems no endgame strategy.

People nonetheless say otherwise. I have been assured that if air attack does not change Iraq's conduct, and if UN arms inspectors are not allowed back in, America has another plan for the longer term. What exactly is not revealed.

Possibly it is a quasi-permanent program of continuing attacks, directed — as Mr. Cohen said this past week — "toward limiting, curtailing, really preventing Saddam Hussein from reconstituting his capability in the near future at least."

Some in the administration give one the gloomy impression that they have heard this sort of thing before, possibly in connection with the Vietnam War. One official I spoke with struck me as afraid — unable to believe that Iraq would be changed by what the United States plans to do, but frightened about where the effort might take the Clinton administration and the country.

International Herald Tribune.  
Los Angeles Times Syndicate.

## Wei Jingsheng Is Inconvenient, and Not Just for Beijing

By Jim Hoagland

WASHINGTON — Tyrants jail and exile rebellious, free spirits like Wei Jingsheng for speaking truth to and about them. As the Soviets feared Alexander Solzhenitsyn, the Chinese Communists fear Mr. Wei's intuitive understanding of their corrupt and inhumane system. The Chinese kept this former electrician and pamphleteer in prison for most of the past two decades to silence him.

That silence is now broken. Mr. Wei's enforced exile in the United States provides him a vast platform. The secret diplomacy that led to his release and expulsion in November have not tempered his truth-telling.

Gulping in the oxygen of freedom in the United States, Mr. Wei has begun to write opinion pieces and to deliver speeches that strongly challenge the view that China, with American engagement, is slowly evolving into a stable free-market democracy and U.S. ally.

China's expulsion of Mr.

Wei may someday be seen as one of those seemingly smart moves that turn a problem into a disaster. It may rank with the shah of Iran's decision to force the Ayatollah Ruhollah Khomeini into exile in Paris, where Mr. Khomeini used modern communications to stir rebellion in Tehran.

Mr. Wei clearly was not part of the deal Beijing thought it had with the Clinton administration to keep him on a tight leash. At a speech to the Council on Foreign Relations last week, Mr. Wei denounced Washington's embrace of Beijing as "selling out their friends and interests" in China and helping a regime he labeled "the enemy of the United States."

The language was stark. It clanged as extreme on the ears of some of the academics, politicians, labor leaders and others present. As he spoke, the calculated risk Beijing's rulers de-

cided to take in launching this dissident into the orbit of foreign exile became clearer. Away from Chinese soil he may be unable to sustain the acuity, indignation and knowledge that have illuminated his denunciations of a rotten system.

This is where the Solzhenitsyn analogy runs deep. Encountering Mr. Wei's version of U.S.-Chinese relations is reminiscent of the shock of reading a Spanish newspaper in 1975 reporting the Russian writer's unreserved admiration and approval of the Franco and Pinochet regimes. How can a genuine hero and rebel so acute about his own country be so misguided on others?

After asserting that the United States "unwisely ceded all the Eastern European countries to Stalin," Mr. Wei argued that "to save a few pennies, to settle certain personal scores" and acting "on the basis of lies

spoken" by "so-called China experts," the United States helped Mao Zedong's Communists take power in Beijing.

"The American people have become carried away by their own greatness. They refuse to draw lessons from their failures," Mr. Wei continued. Richard Nixon went to China to see Mao, "the greatest butcher of this century, and rescued the Chinese Communist regime from the jaws of death."

That version of history is not familiar to most Americans, and afterwards some in the audience seized on it to discount the rest of Mr. Wei's fiery, unyielding message. A counterattack to Mr. Wei's denunciations is forming among Beijing's friends here.

But it should come as no surprise that a man who has just spent 18 years in prison does not have a sophisticated grasp of international relations. Nor should Mr. Wei's views of American motives, however flawed or one-

dimensional, detract from his penetrating analysis of the Communist leadership in China.

Instead, Americans should be alarmed at the prospect that Mr. Wei's views represent a broad feeling among Chinese democrats about U.S. reliability and intentions.

His general warning is that the United States is building up a future crisis with China by supporting a discredited regime. His specific warning, repeated several times at the Council meeting, is that America must not back away from criticizing China on human rights, to buy the freedom of dissidents or anything else.

Wei Jingsheng is an inconvenient man for governments. Exile in America has not lessened his ability, and determination, to speak unsettling thoughts to power. Beijing's wager that he will do them less damage abroad may turn out to be a historic miscalculation.

The Washington Post.

## Get Set for Another Year of Living Dangerously in Asia

By Tom Plate

LOS ANGELES — The Asian crisis is of sufficient vintage now to qualify for the frequently asked questions treatment, along with my answers.

Question: Is the crisis starting to ebb?

Answer: Not at all. At best, Monday's rebound notwithstanding, it's in remission.

Q: But Federal Reserve Board Chairman Alan Greenspan says the impact on the United States is modest. What do you know that he doesn't know?

A: He's respected but not always right. Mr. Greenspan is focusing on the United States, which so far has not been hit much, and he's trying not to be alarmist. But he also admitted that because of Asia, the U.S. economy would start slowing by June. More than a million Amer-

icans are likely to lose their jobs next year because of lowered Asian demand for U.S. exports. Keep in mind, too, that Japan, the world's second-largest economy, is in high trouble and is big enough to pull America down if it falters further.

Last month when even the all-powerful minister of finance, Hiroshi Mitsuoka, resigned over a corruption scandal, I asked one of Japan's top newspaper editors for his assessment. From Tokyo, he faxed: "This is the tiniest tip of the iceberg. I would expect there would be a fundamental reorganization, unprecedented in the history" of the Finance Ministry. My friend does not casually throw around terms like "unprecedented."

Q: Indonesia looks a lot shakier; will it collapse?

A: Remember "The Year of Living Dangerously," the 1982 film about the fall of Sukarno? You might soon see the sequel. If revolution does come to the world's fourth most-populous nation, no one will shed many tears when President Suharto is finally gone. But recall Henry Kissinger's observation before the shah of Iran fell that whatever the many faults of the Peacock Throne, there was no assurance that the shah's successors would prove any better. One fears for Indonesia in coming months.

Q: Korea seems to be doing better, right?

A: History has given that star-crossed land President-elect

Kim Dae Jung. Miraculously, he seems to have persuaded the labor unions to swallow the substantial pain of patching up the economy. In a crisis there's no substitute for intelligent and strong leadership.

Q: Speaking of leadership, how's Bill Clinton doing?

A: Not bad, at least until recently. Remember the president's personal phone calls to Asian leaders? Treasury Secretary Robert Rubin's close watch on the collapse? Deputy Treasury Secretary Lawrence Summers' hurried but reassuring swing through the region? These were all pluses. But can this administration keep up the intensity with all that is swirling around it now? Don't bet on it.

Q: How is the International Monetary Fund doing?

A: I wish the IMF weren't basically the only major institution we have on this case. In retrospect, the Japanese, led by their worldly wise multinationals, were right to want a separate but parallel Asia fund that could have injected money more quickly into panicked markets. But they were talked out of it by Mr. Rubin, who preferred leaving the crisis management with the IMF. Too bad.

Certainly an earlier infusion of outside dough into Thailand, where the contagion broke out, might have slaked the panic and slowed the crisis. And the IMF cannot prevent recession. It tends to move slowly,

not to mention formulaically, so much so that countries sometimes are reluctant to ask for help and wind up infecting neighboring economies.

It was dumb to put all our eggs in the IMF basket. Even so, it's about all we have right now, and Congress may well fail to approve additional appropriations. Then the world will really wish we had listened to the Japanese.

Q: Haven't we learned anything from this crisis?

A: A little. We've got to come up with ways to lower the impact of hyperinflation on international money markets. On any given day, \$1.5 trillion can move across borders.

"The system," explains the UCLA economist Michael Ingham, "creates a house of cards that will fall down from time to time. If we don't figure out some reform, it will fall down again."

Another emerging lesson is the crucial role of China as well as Japan. Beijing is trying to avoid devaluing its currency, but widespread social unrest could void that thoughtful policy. A Chinese devaluation, deepening the discount on their exports even further, would trigger another crash in Southeast Asia.

So the key to escaping world recession lies in Beijing and Tokyo. Mark 1998 down as another year of living dangerously.

Los Angeles Times Syndicate.

## On Germany and American Jews

By David A. Harris

NEW YORK — In a meeting with an American Jewish delegation three years ago, President Roman Herzog of Germany asked an intriguing question: Why is it that German-Israeli relations are light years ahead of Germany's links with the American Jewish community?

All German-Jewish ties remain fraught with emotion. That said, there is nonetheless a dynamism in Germany's Israeli connection that is largely missing in its links with America's 6 million Jews.

Why such a difference in dealings with the world's two largest Jewish communities? Sovereignty, Israelis deal with Bonn on two levels, as a state and as a people. American Jews deal only on one level, as a people.

To survive as a new state, Israel had to find international support. Germany presented an opportunity. Precisely because Germany appeared determined to come to grips with its past and to establish itself in the family of Western democratic nations, the moral dilemma for Israel's statesmen was eased somewhat.

Even before the establishment of diplomatic ties, various restitution agreements provided Israel with financial and other assistance crucial to the fledgling state's existence. In 1965, after an impassioned Israeli debate, bilateral links were formalized. Today Ger-

many is Israel's second-largest trading partner and its closest ally in Europe.

The German record regarding Israel has not been perfect. While German companies were far from aloof, their enthusiastic pursuit in the 1980s of exports — including dual-use technology — to Iraq and Libya was particularly disturbing. So, too, was Bonn's shortsighted policy on Iran.

Nevertheless, the German record is impressive and certainly better than that of the other major European countries. Israelis know it. Most American Jews, however, do not.

Reality is not static but dynamic. Time and history do not stand still, nor do the forces of international and human relations.

That is why, shortly after the establishment of the Federal Republic of Germany in 1949, the American Jewish Committee — at first tentatively after much soul searching — began to seek out in the new Germany those forces, governmental and nongovernmental, that were genuinely committed to writing a new chapter in German-Jewish relations.

Over the decades we developed extensive ties with German leaders. As a result we have been able to pursue

issues of critical importance.

Recently, for example, we addressed the needs of East European Holocaust survivors, who had never received any German compensation for their suffering, unlike their counterparts in the West. (An agreement to provide monthly pensions for as many as 20,000 East European survivors was announced in Bonn last month.)

With Germany's future the key to Europe's, and with Germany today the home of the fastest-growing Jewish community in the world, there is every reason to be present on the ground — as advocates for closer ties between Germany and American Jews, as friends of the soon to be 100,000-strong Jewish community in Germany and as supporters of those who hold Germany to the very highest democratic standards set for it by its leaders.

Thus on Monday, the American Jewish Committee will open an office in Berlin. An office is not quite an embassy. But it does reflect the maturing of the American Jewish community and a narrowing of the gap, however belatedly, that President Herzog so rightly identified.

The writer, executive director of the American Jewish Committee, contributed this column to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Equine Flu

WASHINGTON — The Times' Washington correspondent cables that much surprise has been caused at the Department of Agriculture there by a statement made in the Prussian Diet by Baron von Hammerstein, Prussian Minister of Agriculture, that American horses brought influenza into the country and that it might be necessary to enforce quarantine against them. The officials of the Department emphatically discredit the probability of American horses conveying influenza, and they say that if the disease develops after importation it is contracted from animals in Germany.

### 1923: Broke Germans

NEW YORK — Sailors on German vessels docking at Hoboken are unable to visit this city since the subway fare

alone now is more than most of them receive in a month. The officer of one German steamer who formerly courted a girl in the Bronx is now unable to call, as his pay of 20,000 marks a month is not enough to pay the carfare and take her to the movies.

### 1948: Bronze Age Man

KEYINGHAM, England — The skeleton of a Bronze Age man was uncovered in a gravel pit here yesterday [Feb. 5] and the Haldenese coroner — observing English law — decided he had better have an inquest. The body had been buried in a crouching position, which archeologists said was the Bronze Age manner. Between the knees was a six-inch, brown earthenware vase of unusual beauty. Disposition of the skeleton will be decided at the inquest. It is believed that it will go to the Hull Museum.

## Herald Tribune

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 41.43.95.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.  
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337  
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## The Magic of Old Master Signatures

**NEW YORK** — Suddenly the Old Master paintings arena is huzzing with the excitement that Impressionists and Modern Masters began to generate as they took off on a truly grand scale in the early 1970s.

It is not just the numbers that are impressive — on Jan. 30, Sotheby's New York claimed its highest total ever with sales adding up to \$53.19 million, outdoing by a fraction its December performance in London (\$52.02 million). It is also the vibrancy in the auction rooms, the rapidly expanding constituency, the soaring interest in every direction. But beware

## SOURN MELIKIAN

the pitfalls. There can be more to a picture than meets the eye — or less.

Last week, in the new atmosphere of buoyant expectancy, some star lots were looked at through golden glasses. A placid Dutch burgher was signed by Rembrandt and dated 1633. The signature is magic. The art was not. The face with a wan smile and a swirling mustache is so bland that a scholar once saw it as the work of a pupil.

Now, professionals no longer question the picture, which received the seal of approval from the Rembrandt Research Project foundation in Amsterdam. In a letter to the owners, an expert covers every aspect of the picture, from the type of oak panel made from wood found in the Baltic-Polish area (normally used by the artist) to the method of painting. The master, for example, would finish the background fast and then elaborate the figure. When doing the face, he left small areas of the underpaint uncovered under the eyes, etc. You might not have a dream picture, but you have the Polish oak, the technique, the signature. And that did it.

Two of the most savvy U.S. dealers, Alfred Bader of Milwaukee and Otto Naumann of New York paid \$9.1 million, more than twice the high estimate to get their committee-approved Rembrandt — leading dealers cannot afford to resist the lure of such a name.

They find it a lot easier to ignore a masterpiece with no name — or one that is contested, which is just as bad. In a striking contrast to the burgher with a twirling mustache, the portrait of a woman, also oval, nearly of the same size, and, in Sotheby's own words, "signed or inscribed lower left Rembrandt /1633" did not make much of

an impression. When W.R. Valentiner recorded the portrait in 1931 and called it a Rembrandt, his fellow scholars agreed. Alas, the Rembrandt Research Project, weighing the good points versus others not so good, decided in the 1970s that on balance, no, it was not the real thing.

The irony is that the woman may have been painted as a match to the man; same date, virtually the same size, same way of filling the space. The big difference is that she has a compelling smile, radiant with inner life, if clouded by an indefinable touch of repressed distress. Relegated to the ranks of the "not-the-master's-own," this gem of Dutch portrait painting went for a mere \$255,500. Someone here made a real coup.

It is this occasionally low pricing of great art that guarantees rosy days ahead, at least for some time. One of the most beautiful scenes in a landscape ever signed by Philips Wouwermans, "The Falcon Hunt," in which mounted hunters prance around a hillock, was in the sale. It has slightly suffered from overzealous cleanings, but that did not stop the noted Montreal collector Michael Horstein (whose identity is not mentioned in the catalogue) from acquiring it in 1987. The picture is now going back to London, care of Richard Green, a dealer with a special love of the artist.

Another great Horstein picture proved more expensive. Jacob van Ruysdael's winter landscape with a frozen canal and a chateau under construction in the distance was one of the glories in the great 1951 exhibition of Dutch landscapes at the Paris Orangerie. A thin coat of snow allows the deep brown of the earth to come through here and there in an ice-blue light. Specialists in Dutch art wanted it badly. Underbid by Johnny Van Haefen of London, Green paid \$1.32 to catch his prey, one third more than the high estimate, but still peanuts by comparison with an Impressionist painting.

The feeling of novelty that discoveries constantly bring is the other powerful attraction of this privileged



Saint Joseph and the Christ Child, by Murillo.

the Hand of the Christ Child," a monumental work of Prado Museum level by Murillo. When it appeared at Christie's, London in December 1990, after having spent the previous 148 years in a country house at Wrotham, Middlesex, connoisseurs raved about its light, its feeling, its excellent condition — since revealed to the full by sensitive cleaning. Bruno Meissner, a Zurich dealer greatly admired by his peers for his eye, paid \$2.42 million, the equivalent of \$4.67 million then, to get it. This year, the same Murillo, held by a bank as collateral, sold, only just, for \$2,752,000 with premium. The loss is huge.

That was compounded by another sad story. Two days before the Murillo was sold at Christie's in 1990, one of the greatest still lifes from 18th-century France, signed by Jean-Baptiste Oudry, turned up at Sotheby's London. It had vanished since 1943. Unable to resist the beauty and the surprise, Meissner bought the Oudry for just under \$600,000. Last week, the same Oudry remained unwanted at \$325,000. Few dealers will touch a masterpiece that has been shown around, and among the few collectors who will respond to that kind of picture, even fewer have the resources to back up their artistic judgment. The moral is clear: Old Masters do not make up one market, but dozens of micromarkets and assessing the exact state of each one of these is essential when buying.

The ability to evaluate condition in relation to pricing is equally important. Reading carefully the entry to Emanuel de Witte's beautiful "Interior of a Church" in Sotheby's catalogue, it was obvious that the left-hand extremity was extensively restored. The entry, which notes "the current, well-preserved architecture," also concedes that alterations affect the characters. At \$360,000, the De Witte was no giveaway.

The most beautiful work always has a given price bracket at a given time. To exceed it wildly by misjudging the breadth of its appeal, its condition, or any other limitation to its splendor is to take a dangerous gamble.



Detail from "Children's Games," painted by Pieter Bruegel the Elder in 1560.

## The Bruegel Legacy, Spelling Conceits Aside

By John Vinocur  
International Herald Tribune

**VIENNA** — Against all of today's flimmer and flicker, film clips, sound bites, web sites, information accelerated into a nonstop fast-forward loop of things half-seen and fully blurred, hold this journalism up: Pieter Bruegel and sons at the Kunsthistorisches Museum.

Only, of course, it is not journalism, a lesser labor. It is more genius embracing portage, the mass and density and flood of characters of several great novels, the pulse and line of epic poetry, all slowed down, nonflecting, and in color on the walls here. It is Bruegel, magnificence from four centuries ago, but a committed reporter nonetheless, a man registering what happened, how it looked, and how it felt as well as anyone ever has.

And this in circumstances that provide both a new, practical advantage to the visitor, as well as a slightly discomforting novelty. The museum's 13 great Bruegels, the world's best permanent collection, are currently augmented by four important loaned works, but also hundreds of paintings, some of them copies of their father's work, by Pieter Bruegel the Younger and Jan Bruegel the Elder, in an exhibition called "Bruegel, Tradition and Progress."

The trace of discomfort comes from the way that the exhibition shows Bruegel's sons ripping off his themes and turning them out in rather less skilled and considerably more superficial copies, although it is explained that this was a normal practice in late 16th-century Flanders. But their paintings of other subjects are very good and very interesting, and when a copy is shown side by side with a work by the master, the contrast is fascinatingly eerie.

**T**HE practical advantage is simple. The lighting in the gallery where Bruegel the Elder's work is exposed has been dramatically improved, and it is now possible as well to look at the paintings from a distance of barely a foot away. This would be nice in sort of a pedantic way if it made just any painter's brushstrokes or impasto technique more visible, but in terms of Bruegel it is a magnifying glass on genius.

Details just explode. In approaching a painter whose view of life, and our propulsion into it, involves choosing detail after detail — spoon stuck through hat brim, empty mussel shell next to unlaced shoe — standing up close makes a visitor a selective participant as never before in Bruegel's vast, wildly ambitious reportage on the state of humanity.

Whether the work is "The Fight Between Carnival and Lent," "The Tower of Babel," "Peasant Dance," "Children's Games," or the paintings of illustrating the seasons of the year, the detail is never archival. Instead, it is passionate testimony, Bruegel's telling as much as he can see and know, a committed choice for realism over the devout or allegorical. Even on the highest levels of his "Tower of Babel," his most mystical painting, they men are bent in labor at the edge of the sky, swinging picks and mallets.

When the exhibition directly compares two works, placing the master's "Fight Between Carnival and Lent" directly next to its copy by Pieter Bruegel the Younger, the difference nearly shouts: the son's one-click overview, and the father's case by case, farmer's horseclash by

**They made a committed choice for realism over the devout or allegorical.**

What is regrettable about the exhibition is that with the exception of three smaller works and "The Attack," whose authenticity has been the source of some discussion, none of the other paintings of the roughly 45 existing works by Pieter Bruegel the Elder were loaned out by other museums for the show.

Of all the paintings, "The Attack," on loan from the Stockholm University collection, is most easily superimposed on a modern consciousness. In a barren field and against a harshly, almost artificially lighted sky, three highwaymen rob a farmer and

his wife. One of the thieves is grabbing a jewelry chain from the peasant's neck. Before rotary presses, this painting, was journalism.

What is regrettable about the exhibition is that with the exception of three smaller works and "The Attack," whose authenticity has been the source of some discussion, none of the other paintings of the roughly 45 existing works by Pieter Bruegel the Elder were loaned out by other museums for the show.

"We took what we got," said Wilfried Seipel, general director of the Kunsthistorisches Museum, explaining that Philippe de Montebello, director of the Metropolitan Museum of New York, and directors of the Narodni Gallery in Prague had wanted to make loans but that they were turned down by their museums' restorers.

The two museums could have provided two works by Bruegel about the seasons to add to the three already in the Vienna collection. "That would have been sensational to have the five season paintings together," Seipel said.

With a certain amount of bitterness, he added, "The paintings are terribly sensitive to humidity and vibrations, of course, but it's always 'no' from the restorers. They're everywhere, and sometimes I think we've got to break away from them. They are often interested only in their own business, and not in the public. Indeed, we refused to give our Vermeer to the exhibitions in Washington and The Hague because it wasn't in good enough condition, but it's in restoration now, and I'd be open to talking about a loan eventually."

The exhibition continues until April 14. The works on exhibit here of Pieter Bruegel the Younger and Jan Bruegel the Elder will be shown in Antwerp at the Koninklijk Museum voor Schone Kunsten from May 2 to July 26.

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SATURDAY-SUNDAY, FEBRUARY 7-8, 1998

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## In East, Fear of Euro

### Could It Delay EU Entry for Candidates?

By Peter S. Green  
International Herald Tribune

PRAGUE — Less than 11 months from now, Eastern Europe's single largest export market will disappear. The German economy and the powerful Deutsche mark will begin to be part of the European Monetary Union in the world's most ambitious economic experiment since the fall of communism in 1989 forced the former Soviet bloc to embrace capitalism.

For Eastern Europe, the rules, habits and certainties of trading with Germany will be replaced by the vast and varied "euro zone," which is expected to include 11 countries and range from the sunny Algarve coast of Portugal to the Arctic wastes of northern Finland.

In Brussels, Paris and Bonn, the single European currency and union is mostly welcomed, seen by many as a key to growth and prosperity. But in the former Communist countries now seeking to join the European Union, the coming of the euro is awaited with a mixture of fear, apprehension and inaction.

Hungary's outspoken ambassador to Brussels, Endre Juhasz, voiced the East's greatest fear when he said in a recent speech that he worried that a rough start for monetary union could delay the EU's planned enlargement to Eastern Europe. Ten Central and East European countries want to join the EU, and five — Hungary, Poland, the Czech Republic, Estonia and Slovenia — are on the fast track.

"Until all the problems regarding the euro are resolved, the European Union would be expected to concentrate on this issue and not on enlargement," Mr. Juhasz said.

The view from Brussels is that the euro will be nothing but good news for the Easterners. "The single currency will make the euro zone a more dynamic trading partner with more economic growth," said Patrick Child, a European Commission spokesman. "We will be in a position to draw in more exports from our trading partners."

But conversations with officials, businessmen and economists across the region suggest that in the short term, East European countries are more wary of or unprepared for the single currency.

"The impact of EMU will be a reality, but this is something we still have a few months to prepare ourselves for," said Pavel Telicka, the Czech deputy foreign minister charged with negotiating the country's EU entry. "I suspect some serious thinking will be done this year."

"That's a good question," said a spokesman for the Czech Chamber of Industry and Transport, when asked what effect the single currency might have on its members. He said the cham-

ber was only just beginning to sound them out on concerns about EMU.

For Mircea Coras, a Bucharest exporter, the outcome is critical. His small firm exports Romanian wood furniture, mainly to the Netherlands and Germany. To keep the economy stable as it adopts free-market reforms, Romania already pegs its currency, the leu, to a basket of foreign monies. That basket will eventually be replaced by the euro, and the rate that Romania's central banker's choose will make or break Mr. Coras's business.

"If the exchange rate is unfavorable, there can be problems," he said. If the leu is overvalued, for instance, Romania would have a tougher time exporting its goods.

At Martimec, a heavy-machinery manufacturer in Martin, Slovakia, the euro is one more headache that deputy director-general Jan Durech has yet to focus on. He says most of the firm's contracts are calculated in dollars and marks, and with the Slovak koruna unsteady, "there are a lot of factors to consider."

"We already have problems of how to run the company with bank collapses, high interest rates for loans, and the inability to get capital in this country," he said. "I'm 120 percent occupied already."

Among the things East European business will have to think about, noted Jaroslav Stypa, a Polish Finance Ministry official involved in EU issues, are new strategies for sales, marketing, pricing and hedging for a single market.

But Mr. Stypa, like many others in Eastern Europe, is particularly worried that the creation of a single currency zone involving 11 developed economies could leave nonmembers outside the winner's circle, at least initially. "The euro area could create something of the effect created by the customs zone in the past," he said. "It might happen that new opportunities will be created within the euro area for products that have up to now been imported from outside."

One fear is that a single currency will force EU products to similar levels across Europe, and the lower-cost Eastern producers would lose some of their price advantage. They might also find that producers eager to serve the new euro zone will prefer to set up new plants inside the zone, and not in Eastern Europe, up to now a favorite location for offshore manufacturing, particularly if a troubled start to the euro raises protectionist walls around the zone.

Mr. Stypa and others also fear that with 10 European currencies suddenly blasted into oblivion by the euro, currency traders and speculators will target the currencies of Central and Eastern Europe, whose economies are more vulnerable to turbulence than their deeper-pocketed Western neighbors.

**The euro area could create something of the effect created by the customs zone in the past.**



COURT DATE — Renault's chairman, Louis Schweitzer, in court Friday in Brussels. Mr. Schweitzer is accused of violating Belgian law by closing a factory last year without consulting unions. Page 11.

## Strong U.S. Jobs Data Rally Global Markets

Compiled by Our Staff From Dispatches

WASHINGTON — The United States added more jobs than expected in January as the unemployment rate held steady at 4.7 percent, just above a quarter-century low.

The news powered stock exchanges in Paris and London to record levels and gave Wall Street a strong boost.

In London, the FTSE 100 index closed 23.3 points, or 0.42 percent higher, at a record closing level of 5,629.7 while in Paris, the CAC-40 share index ended at an all-time peak for the second consecutive session, rising 0.85 percent, or 27.06 points, to 3,216.66.

"The market's responding to what looks like the best of both worlds—good growth and weak inflationary pressures," a London share dealer said.

The Dow Jones Industrial Average closed 72.24 points higher, to 8,189.49, while the benchmark 30-year Treasury bond rose 6/32 point, pushing down its yield one basis point to 5.92 percent from 5.93 percent.

Nonfarm jobs in the United States rose by 358,000 last month, buoyed by strength in service industries, manufacturing and construction, Labor Department figures showed. That followed a revised 355,000 gain in December and exceeded analysts' expectations of a January gain of 238,000.

"It's that economy we've gotten to know and love so well over the past few years," said Robert Dederick, a consulting economist at Northern Trust Co.

in Chicago.

The strong performance — a record 64.2 percent of the U.S. population held jobs last month — also suggests that businesses are confident they can handle an expected slowing of growth as the Asian financial crisis pares U.S. exports and brings a flood of cheaper imports, analysts said.

"Can this last? Probably not," said Christopher Low, economist at HSBC Securities Inc. in New York. "But we have yet to see any sign of an appreciable slowdown in the economy."

Yet, the number of planned job cuts has lately accelerated, with companies ranging from AT&T Corp. to Eastman Kodak Co. and J.C. Penney & Co. to NationsBank Corp. announcing plans to dismiss workers to reduce costs — and in some cases stem losses.

The Labor Department report showed that workers' average hourly earnings, a gauge of labor costs, rose 0.3 percent — or 4 cents — to \$12.51 in January following a decrease of 0.1 percent in December. Average weekly earnings also increased to \$435.35 in January from \$431.46 during December, as the average number of hours worked climbed to 34.8 per week from 34.6.

Analysts warned before the report that the hourly earnings figures for January might be skewed. In the past three years, when a given month had fewer working days than the prior month — as was the case in January versus December — average hourly earnings tend to rise.

(Bloomberg, Reuters)

## U.S. Wins WTO Ruling Against EU Tech Maneuver

By David E. Sanger  
New York Times Service

WASHINGTON — After suffering its first major defeat in front of the World Trade Organization two months ago, the United States has won its biggest case yet: A ruling that European Union countries had illegally sought to evade a key provision of a 1994 trade agreement so their own high-technology industry might benefit.

The case involved equipment that links computers together, particularly those made by Cisco Systems Inc., Cabletron Systems Inc., 3Com Corp. and Bay Networks Inc. The decision Thursday establishes a precedent barring a strategy that countries often use to protect domestic industries: moving products from one category of goods to another to be able to charge higher tariffs on imports.

In this case, EU countries were seeking a way to keep tariffs on computer networking equipment and thus evade the 1994 accord, which cut tariffs on most computer equipment. Computer networking hardware and software were suddenly placed in a different category,

"telecommunications equipment," which carried the higher tariffs.

Measured by the size of the business involved, this case was the biggest yet for the United States. Roughly \$5 billion in computer networking equipment is sold in Europe annually, and U.S. companies account for about half the market, the U.S. trade representative's office said on Thursday. The higher tariffs cost customers of the U.S. companies \$50 million, industry officials estimated.

Politically, the chief importance was that the United States won, at a time that the role of the World Trade Organization as the arbiter of trading rules is under intense scrutiny.

American liberals and conservatives have both questioned whether the "dispute resolution panels" established under the WTO interfere with national sovereignty by ordering changes in domestic regulations in nations around the world.

So far, the United States has prevailed in front of the panels in nine cases and has settled seven other cases. But it has lost four: three minor cases involving underwear, silk shirts and imported gas-

oline, and the case two months ago involving Eastman Kodak. In the Kodak case, the defendant was Kodak's longtime rival, Fuji Film Corp., but part of the U.S. intent in bringing a complaint was to indict Japanese industrial policy. Kodak sought to prove that Japanese bureaucrats had worked to give Fuji an edge over Kodak in the Japanese market, making it more difficult for Kodak to get access to Japanese retail outlets.

But the WTO panel rejected the complaint, leading the trade representative, Charlene Barshefsky, to declare earlier this week that the United States would begin more intensive "monitoring" of Japanese practices.

Compared with the Kodak case, the computer networking dispute was far more narrow and better defined. It centered on whether customs officials from Britain and Ireland reclassified certain imports to double the tariffs placed on them as they entered Europe. Other members of the EU later followed that example, though last year the EU signed another trade accord that would bring tariffs on all electronic products to zero on July 1, 2000.

"We thought this was a pretty blatant

case," said Bob Michelet, the director of corporate relations for Cisco Systems in San Jose, California.

"This was an issue that the entire industry was able to get together on fairly quickly."

Ms. Barshefsky said: "We are pleased the WTO panel has ruled that these tariffs clearly violate WTO obligations. It is clear that these unfair tariffs must be corrected."

The European nations must now seek to appeal the WTO decision or enter a discussion with the United States over a lowering of the tariffs. If they fail to agree, the WTO could authorize the United States to impose countervailing duties against European goods.

**China Nearer to Joining WTO**

The deputy director-general of the WTO said Friday that China was in the final stage before joining the organization because of its market liberalization initiatives. Reuters reported from Tokyo.

"I believe we can say that the process has entered its final phase," Kim Chul Su said at an economic symposium on Asia's future in Tokyo.

### CURRENCY & INTEREST RATES

Cross Rates	Feb. 6
Australian dollar	1.326
British pound	1.605
Canadian dollar	0.651
French franc	6.545
German mark	1.366
Italian lira	2.036
Japanese yen	136.00
Netherlands guilder	2.203
New Zealand dollar	1.271
Portuguese escudo	20.480
Spanish peseta	166.639
Swedish krona	8.466
Swiss franc	1.475
Taiwan dollar	35.480
Thai baht	54.804
U.S. dollar	1.000

Changes in Amsterdam, London, Paris and Zurich. Rates in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M. All to buy one pound in U.S. dollars. Units of 100 N.Z.D. not quoted. N.A.: not available.

Other Dollar Values	Feb. 6
Argentine peso	1,099.99
Australian dollar	1.326
British pound	1.605
Canadian dollar	0.651
French franc	6.545
German mark	1.366
Italian lira	2.036
Japanese yen	136.00
Netherlands guilder	2.203
New Zealand dollar	1.271
Portuguese escudo	20.480
Spanish peseta	166.639
Swedish krona	8.466
Swiss franc	1.475
Taiwan dollar	35.480
Thai baht	54.804
U.S. dollar	1.000

Forward Rates	30-day	60-day	90-day
British pound	1.605	1.605	1.605
Canadian dollar	0.651	0.651	0.651
French franc	6.545	6.545	6.545
German mark	1.366	1.366	1.366

Sources: IHO Bank (Amsterdam); Citic Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Labor Rates	Feb. 6
1-month	5.92
3-month	5.92
6-month	5.92
1-year	5.92

Sources: Reuters, Lloyd's Bank. Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates	Feb. 6
1-month	5.92
3-month	5.92
6-month	5.92
1-year	5.92

Gold	Feb. 6
1-ounce	382.00
10-ounce	3,820.00
1-kilogram	38,200.00

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerciale, Credit Lyonnais.

## Tokyo Plan For Banks Passes Diet

Bloomberg News

TOKYO — The Diet, or lower house of Parliament, approved a 30 trillion yen (\$241.9 billion) plan on Friday to buy bank shares and protect depositors, in a bid to restore confidence in a financial system rocked by bad loans and bankruptcies.

The rescue, one of the largest bank bailouts in history, now goes to the upper house, where it is assured of passage as soon as next week.

The legislation sets aside 17 trillion yen to guarantee deposits and help clean up banks that fail. It provides an additional 13 trillion yen — equal to what the U.S. Congress allocated for the savings-and-loan bailout a decade ago — for the government to increase banks' capital by buying newly issued preferred shares.

"We absolutely need this bill to help out banks that are having problems raising funds on their own," Kimio Yamaguchi, head of the Finance Ministry's banking bureau, said before the vote.

Japanese lenders are watching their capital dwindle as they struggle to write off an estimated 77 trillion yen in bad and risky loans, and as the stock market languishes. Some will face trouble meeting global capital-to-asset requirements by the end of the financial year on March 31.

Opposition party politicians were less enthused, complaining that the bill did not spell out which banks would get capital injections or how the decisions would be made.

Opposition groups stalled passage of the bill last week, insisting it be debated separately from other legislation calling for a 2 trillion yen income tax cut.

# THE WORLD OF ZILLI

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Q: What do you think about fashion?  
A: Look at the latest men's fashion shows, the ones everybody talked about. What did they present us with? Black, grey and more black. But what colour do modern men prefer? Blue. Politicians wear blue; businessmen wear blue - the world over. But men's fashion, which often couldn't care less about men, obstinately wants them to wear black, to force them to look "dreary". You can't change their pleasure in wearing the same colour as the sky and the sea.

Q: Don't you ever feel that you are on your own, when you say this sort of thing?  
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Q: Why have you been working with Zilli for 25 years?  
A: Zilli is such an obvious choice. It is the irreplaceable reference in terms of comfort and pleasure.

Alain Schimel has an unfailing flair for satisfying men's demands: his inventiveness in the cut, his choice of fabrics, his concern for details, always wanting to improve quality even further, this is what it is all about. Zilli is not just a collection of clothes: it's a philosophy. "La Maison Degand" has exactly the same one.

Interview Pierre Degand  
Chairman of DEGAND Boutiques  
exclusive distributor of Zilli products in Belgium.

ZILLI Paris : 48, rue Francois 1°  
Tel.: 33 (0) 1 5323-9090

ZILLI chez Pierre Degand  
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## THE AMERICAS

## Wall Street Warms to Buoyant Rise in U.S. Employment

NEW YORK — U.S. stocks rose Friday after the government said the economy created more jobs than expected in January. "The economy is growing fast enough," said James Penner, chief investment officer of the Montana Board of Investments. "It's a reasonably good scenario for the stock market." The Dow Jones industrial average climbed 72.24 points to 8,189.49.

J.P. Morgan & Co. surged 4.9/16 to 111 1/16 on speculation that Deutsche Bank AG may be talking to the bank about an acquisition. Analysts discounted the speculation.

The Standard & Poor's 500 index rose 8.91 points to 1,012.45. The Nasdaq composite index gained 17.43 points to 1,694.33.

While stocks often fall after strong job reports on concern that an overheating economy would prompt the Federal Reserve to raise benchmark interest rates, Chairman

## U.S. STOCKS

Alan Greenspan recently said he was expecting Asia's financial problems to slow U.S. growth.

"Asia balances things out," said Bob Basel, co-head of listed trading at Salomon Smith Barney Inc. "Interest rates will remain stable — no reason to lower or raise."

The bonds were spurred by the jobs data as the benchmark 30-year bond rose 6/32 to 102 1/32, pushing its yield down one basis point to 5.92 percent.

It was the third month in a row that higher-than-expected employment gains stirred little concern among bond investors.

"There's still a pent-up demand for Treasuries" because investors are looking for a slower economy, said Daniel Seitz, a manager at Advisers Capital Management.

Advancing issues led declines by 8 to 5 on the New York Stock Exchange.

Bank stocks rose across the board as investors' concern about Asian turmoil waned and earnings expectations grew more optimistic, analysts said.

Qualcomm tumbled 8 1/2 to 47 1/2 after the maker of wireless-phone equipment warned that its profit in the second quarter would be about half of most estimates, mainly because South Korean orders had been cancelled.

Some analysts predicted that the Asian slowdown will hurt earnings for several quarters and question how Qualcomm raised problems in its most important overseas market.

Oxford Health jumped 2 1/16 to 19 1/4 on news that Franklin Mutual Advisors, the mutual fund manager run by the investor Michael Price, holds a 5.3 percent stake in the 78 percent company. Oxford shares had fallen 78 percent in the fourth quarter of 1997.

Pixar jumped 5 to 35 after the company reported unexpectedly strong fourth-quarter profit and said it and Walt Disney Co. will release "Toy Story 2" in theaters instead of directly to video. The first "Toy Story" generated \$360 million in worldwide box office revenue and sold more than 22 million videotapes in the United States. (Bloomberg, AP)



## Very briefly:

• General Motors Corp. lowered planned first-quarter production at its North American facilities by 1.6 percent from its previous plan, citing soft sales of small cars. GM now plans to build 1.39 million cars and trucks in the first quarter, 3.7 percent fewer than a year ago.

• Bayer AG sold \$600 million in bonds through its U.S. subsidiary, Bayer Corp., to finance expansion in North America, its largest market. The sale, through a private placement, was increased from the \$500 million originally planned because of high demand, Bayer said.

• Trump Hotels & Casino Resorts Inc. said it had hired Bear, Stearns & Co. and Donaldson, Lufkin & Jenrette Inc. to help it explore a sale of the company. Chairman Donald Trump's interest in selling has been sparked by the \$1.7 billion price Crescent Real Estate Equities Co. agreed to pay for Las Vegas-based Station Casinos Inc.

• Hudson's Bay Co. agreed to buy the discount retailer Kmart Canada Co. for 240 million Canadian dollars (\$168 million), including debt, and fire 4,000 to 6,000 employees as it combines the newly acquired business with its Zellers chain.

• Lazard Freres & Co. said its real-estate unit agreed to invest \$20 million in closely held Rubenstein Co., giving the office developer the funds to buy more properties and take advantage of rising rents.

• Sumitomo Bank Ltd. sold \$1.8 billion of preferred securities to raise its capital base drained by bad-loan write-offs and declines in the Japanese stock market, according to people familiar with the transaction.

• U.S. West Communications Group said fourth-quarter profit before gains and charges fell 4.6 percent to \$290 million from \$304 million a year earlier. Revenue fell 3.2 percent to \$2.53 billion.

• Dole Food Co. said fourth-quarter profit rose 72 percent from a year earlier to \$23.2 million. Revenue rose 22 percent to \$1.09 billion.

## Columbia/HCA Sees Big Operating Loss

NASHVILLE, Tennessee — Columbia/HCA Healthcare Corp. said Friday it expected a fourth-quarter loss from continuing operations of as much as \$425 million, as the company struggles to change its way of doing business amid a federal investigation.

The hospital group, which is under investigation for possible fraud in Medicare billing, said it also expected to take about \$870 million in one-time charges, bringing the net loss to as much as \$1.35 billion.

Friday's announcement reflects the cost of turning what was once America's most aggressive and acquisitive hospital chain into a slimmer company tightly focused on its core hospital business — one the company's new management hopes will have better returns.

"Their basic business is flat and they are making a lot of adjustments to reflect the new way of operating the company," said Joseph

Chiarelli, an analyst at J.P. Morgan Securities.

Stock in Columbia was down \$1.1875 in late trading Friday, at \$24.875.

The company's market capitalization has fallen to about \$15 billion from \$27 billion since March, when the government investigation first came to light.

While charges are anticipated, the company had been expecting a profit from continuing operations in the fourth quarter.

The company's financial statements for all of 1997 are being audited. Final figures are expected to be released Feb. 13.

Revenue is expected to drop 10 percent in the quarter, due in part to changes in Medicare reimbursement last year. Facility admissions in the quarter increased 0.5 percent, while adjusted admissions, which reflect inpatient and outpatient admissions, rose 2 percent.

(Bloomberg, AP)

## Polaroid in Talks With 3Com and Mattel

NEW YORK — Polaroid Corp., looking to reinvent itself, said it had talked with 3Com Corp. and Mattel Inc. about developing new products and that it was planning a series of acquisitions to bolster its digital imaging business.

Polaroid wants to place its holographic film in 3Com's Palm Pilot, a hand-held electronic organizer, so users can better see the screen under various lighting conditions. The Cambridge, Massachusetts-based

maker of instant photographic products is talking to Mattel about teaming up in electronic games.

Polaroid is introducing dozens of new products, and finding new uses for existing technology in a bid to pump up sales that haven't budged much since the start of the decade.

"We're just now realizing how important it is to be a great marketer," said the Polaroid chief executive, Gary DiCarillo, hired away from Black & Decker Corp. in 1995.

## U.S. Chemical Firm Faces Losses

## Engelhard Says Suspected Fraud in Japan Will Cost \$55 Million

ISELIN, New Jersey — Engelhard Corp., a chemical and engineered-materials company, said Friday it faced a loss of \$55 million after alleged fraud was discovered last week at its base-metal trading operation in Japan.

The trading operation, based in Tokyo, is one of a number of companies "victimized in a fraud" that "involved physical inventories of nickel cathode and ferro-nickel scrap," the company said.

Of the \$55 million loss, about \$39 million would relate to 1997, with the balance in 1998, Engelhard said. The New Jersey-based company said it was still in the early stages of determining the extent of losses resulting from the alleged fraud.

The irregularities were disclosed by the company's preliminary fourth-quarter earnings, but its statement excluded any impact from the fraud.

Earnings before charges fell to \$42.2 million from \$42.9 million a year earlier. Including charges, which

totalled \$96.4 million after tax, the company reported a loss of \$54.1 million in the quarter.

For the year, the company reported earnings before charges of \$162.8 million, up 8 percent.

Engelhard's shares were up 18.75 cents at \$17.8125.

After discovering irregularities, Engelhard launched an investigation and sent a team of lawyers, company investigators and insurance agents to Tokyo, according to Mark Dresner, a company spokesman. "We've notified the Tokyo police and the Tokyo Commodity Exchange in the last week," Mr. Dresner said.

The Ministry of International Trade and Industry, which is responsible for overseeing trading on the Tokyo Commodity Exchange, has not launched an investigation because nickel is not traded on the exchange, a spokesman said. He added that the ministry investigated possible illicit trades only when there was evidence of market manipulation.

## Strength in U.S. Job Market Helps Dollar

NEW YORK — The dollar rose against the Deutsche mark and the yen Friday for the first time this week after a report showed the U.S. economy added a larger-than-expected number of jobs in January while inflation remained subdued.

"This is positive for the dollar," said Paul Kasriel, an economist at Northern Trust Co. in Chicago. "The economy continues to be strong, yet wage pressure didn't accelerate. The U.S. is a great place to put your money."

The dollar surged to 1.8083 DM late in 4 P.M. New York trading, compared with 1.7870 DM at the end of the day Thursday. It also rose

to 124.010 yen from 123.555.

U.S. economic vigor could push the dollar to 1.82 DM next week, said Hans Boman, a trader at Swedbank.

The U.S. economy added 358,000 jobs, but the unemployment rate remained at 4.7 percent, just above a 25-year low.

The dollar also got support as U.S. bonds and stocks gained. Inflation can erode bonds' fixed value, so investors often snap them up amid signs inflation is under control.

The gains Friday notwithstanding, the dollar finished the week

down about 2.4 percent against the yen and more than 1 percent against the mark.

The dollar rose against the yen in Asian trading after the Japanese government offered a gloomy assessment of the economy.

In its February report, the Economic Planning Agency used the term "stagnated" to describe its economy for the first time since January 1975, when the economy was sputtering amid soaring oil prices.

Against other currencies, the dollar rose to 6.0580 French francs from 5.9880 francs and to 1.4585 Swiss francs from 1.4433 francs. The pound fell to \$1.6435 from \$1.6543.

## AMEX

## Friday's 4 P.M. Close

The 300 most traded stocks of the day up in the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Last	Chg.
IBM	100	110	109	110	+1
Microsoft	80	55	54	55	+1
Apple	60	45	44	45	+1
Oracle	50	35	34	35	+1
Sun	40	25	24	25	+1
Novell	30	20	19	20	+1
Lotus	20	15	14	15	+1
Intuit	10	10	9	10	+1
Adobe	10	10	9	10	+1
McAfee	10	10	9	10	+1
VeriSign	10	10	9	10	+1
EarthLink	10	10	9	10	+1
Comcast	10	10	9	10	+1
Time Warner	10	10	9	10	+1
Warner Bros.	10	10	9	10	+1
Paramount	10	10	9	10	+1
Universal	10	10	9	10	+1
Disney	10	10	9	10	+1
News Corp.	10	10	9	10	+1
Viacom	10	10	9	10	+1
Time Warner	10	10	9	10	+1
Warner Bros.	10	10	9	10	+1
Paramount	10	10	9	10	+1
Universal	10	10	9	10	+1
Disney	10	10	9	10	+1
News Corp.	10	10	9	10	+1
Viacom	10	10	9	10	+1
Time Warner	10	10	9	10	+1
Warner Bros.	10	10	9	10	+1
Paramount	10	10	9	10	+1
Universal	10	10	9	10	+1
Disney	10	10	9	10	+1
News Corp.	10	10	9	10	+1
Viacom	10	10	9	10	+1
Time Warner	10	10	9	10	+1
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Disney	10	10	9	10	+1
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## EUROPE

# All but One EU State Meet Inflation Target

## At 5.4% Rate, Greece Misses Euro's Criteria

**Bloomberg News**  
**BRUSSELS**—All European Union countries, except Greece, have met the inflation target needed to qualify for the future single European currency, the EU's statistics office said Friday, adding to speculation that the euro will be adopted by a majority of EU states.

EU consumer prices rose on average by 1.7 percent in 1997 compared with 2.4 percent in 1996. Ireland, Austria and Finland posted the lowest rise—1.2 percent—while Greek prices rose 5.4 percent, Eurostat said.

Nations need to meet five targets to qualify for the euro, including keeping inflation within 1.5 percentage points of the average of the lowest three in the EU in 1997. The targets were designed to stop spiraling inflation in one country from pushing prices higher in others. The report Friday showed there was little risk of that happening, economists said.

"The fear now is more of deflation than inflation," said Alison Cottrell, an economist at PaineWebber International in London.

The European Commission's top monetary official, Yves-Thibault de Silguy, said this week that inflation posed no obstacle to the 11 countries aspiring to adopt the single currency in 1999. Greece has already acknowledged it would not qualify for the euro, while Sweden, Britain and Denmark have opted out of joining in 1999.

The biggest hurdle for countries aiming to qualify for the euro is the

target on budget deficits, which is limited to 3 percent of gross domestic product. France, Germany and Italy have been taking extra measures to plug their budget holes. The other economic criteria are limits on government debt, long-term interest rates, and two years of exchange-rate stability.

The final decision on which nations will adopt the euro will be made by a vote of EU leaders in May, following a recommendation on which countries have met the EU's economic targets by the European Commission, the EU's executive agency.

### Rush to Euro Criticized

Reinhold Jochimsen, a member of the Bundesbank council, criticized European leaders for playing fast and loose with the Maastricht treaty's criteria and procedures for creating the single currency. Reuters reported from Bonn.

Mr. Jochimsen said governments were operating on the principle of "eyes shut and let's hope for the best." Mr. Jochimsen, who heads North Rhine-Westphalia's state central bank and is an opposition Social Democrat, has consistently warned of the dangers of defying the creation of the single currency.

He said Europe's largest economies—including Germany—were in no position to meet the Maastricht treaty's budget deficit and national debt criteria.

Echoing the Dutch finance minister, Gerrit Zalm, Mr. Jochimsen said only five smaller European Union states would meet the criteria: Luxembourg, the Netherlands, Denmark, Ireland and Finland.



BYE AND HI—Chairman Hans Widmer, left, leaving Oerlikon-Buehrle Holding AG, is being succeeded by Will Kisting.

# Belgian Prosecutor Seeks Fine Against Renault Chief

**Reuters**  
**PARIS**—The chairman of Renault attended a court hearing Friday in Belgium where he faces possible fines in relation to the French carmaker's decision to close a Belgian plant last year, the company said.

In his opening statement, a prosecutor asked the Brussels Tribunal to fine the chairman, Louis Schweitzer, 20 million Belgian francs (\$540,000) but not impose a prison sentence.

Mr. Schweitzer faces criminal charges in Belgium of failing to consult with the staff and staff council of the Vilvoorde plant on Renault's plans to close it and interfering with the staff council's mission to give economic and financial information.

Renault sparked a year ago when it announced the closure of the plant on the outskirts of Brussels as part of a reorganization of its

unprofitable car operations. The plant employed 3,100 people.

Renault notified the staff council of the Belgian subsidiary, Renault Industrie Belgique, 15 minutes before issuing a public statement on the closure.

I appear at the demand of Belgian judicial authorities in this serious case where I took the necessary decisions to ensure the company's future," Renault quoted Mr. Schweitzer as saying on his way into the courthouse.

My constant concern was to comply with Belgian laws. We negotiated the implementation of accompanying measures to deal with the hardship related to the closure," he said.

Mr. Schweitzer said he would make no further statement before the presentation of his defense, scheduled for Feb. 25.

# Big Insurers Plan Merger In Swedish Shakeout

**Reuters**

**STOCKHOLM**—The Swedish insurers Wassa AB and Lansforskrivning announced plans Friday to merge and create Sweden's third largest life insurer and largest property and liability insurer.

The merger plans, which would cut to four the number of large insurance companies in the country, are the latest step in a restructuring of Sweden's financial sector that began in late 1996.

The two companies said the new company, Lansforskrivning Wassa AB, would have annual premium income of about 13 billion kronor (\$1.62 billion) and total assets of about 124 billion kronor.

With 2.7 million clients, the company would have 28 percent of Sweden's nonlife market and 15 percent of life. Lansforskrivning will be the trading brand for nonlife and banking, while the company will use the name Wassa for life and fund management activities.

"The strategic fit between the two organizations is excellent," the president of Wassa, Lars Rosen, said.

Costs of the merger, which is scheduled to take effect May 1, were estimated at 700 million kronor. But the companies estimated that within the next three years they would save 500 kronor a year by trimming 350 to 400 jobs over that period from the combined work force of about 4,200 employees and through greater efficiency.

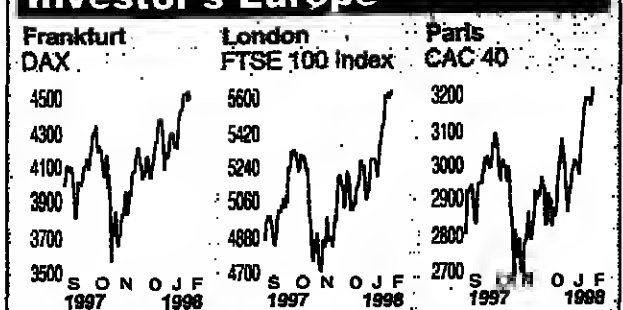
Lansforskrivning is Sweden's biggest nonlife insurer in Sweden, owned by a federation of 24 regional mutual insurers with their roots in the Swedish agricultural community.

It held 20.5 percent of the market in 1996, according to the Swedish Insurance Federation, while Wassa had 7.1 percent.

Wassa's strength is life insurance and unit-linked business. In this area, it was third largest in 1996 with 9 percent of the market and premiums of 3.2 billion kronor.

The head of the new company is to be Tommy Persson, the managing director of Lansforskrivning, with Jan Sparn, the chairman of Wassa, as chairman.

# Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	BEI-20	971.99	964.65	+0.76
Brussels	BEI-20	2,625.55	2,604.45	+0.81
Frankfurt	DAX	4,456.33	4,548.46	-1.95
Copenhagen	Stock Market	592.23	594.53	-0.33
Helsinki	HEX General	3,678.97	3,678.32	+0.02
Oslo	OBX	674.25	675.01	-0.11
London	FTSE 100	5,629.78	5,606.40	+0.42
Madrid	Stock Exchange	713.83	707.78	+0.86
Milan	MBTEL	19555	19435	+0.60
Paris	CAC 40	3,216.66	3,199.60	+0.55
Stockholm	SX 16	3,478.96	3,440.40	+0.85
Vilnius	ATX	1,343.34	1,354.19	-0.80
Zurich	SPI	4,239.16	4,141.09	+1.13

Source: Reuters International Herald Tribune

## Very briefly:

- Daimler Benz AG's Smart car, a joint venture with the watchmaker Societe Suisse Microelectronique & d'Horlogerie SA, will undergo several modifications to make it more stable before being released to the market. The unit building the car, Micro Compact Car, said the October introduction of the minicar would not be delayed.
- SAP AG's shares rose to 656 Deutsche marks (\$365.46) from 651 DM, rebounding from losses Thursday, amid optimism that the resignation of Dietmar Hopp as a co-chairman would not harm growth prospects at Europe's largest software maker.
- Deutsche Boerse, the Frankfurt-based German stock market operator, failed to reach agreement in a meeting with the country's seven regional exchanges over giving them access to its new Xetra computer share-trading system.
- British manufacturing output dropped 0.5 percent and industrial production fell 0.2 percent in December.
- Prudential Corp. will spend £25 million (\$41.4 million) over five years to start a telephone banking service, based in Derby, England, that it said would create at least 1,500 jobs over the next three years.
- Seagate Technology Inc. paid Ireland back 11.3 million punts (\$15.8 million) in grant allocations related to the disk-drive plant in Clonmel that it said in December it was closing.
- Italian government growth forecasts, at 1.2 percent for 1997 and 2 percent for 1998, will prove to be too low, Treasury Minister Carlo Azeglio Ciampi predicted.
- French business leaders expect output to remain strong in the first few months of 1998 despite a likely decline in overseas orders, according to a survey by the national statistics institute, Insee. Economists said the results indicated that the domestic economy was picking up steam.
- Swiss chocolate sales rose 5.1 percent in 1997, to 1.21 billion francs (\$838.4 million), as a 1.6 percent rise in foreign sales outweighed sluggish domestic growth. Bloomberg, Reuters

# Thyssen Krupp Merger Plans Include Sale of Subsidiaries

**Compiled by Our Staff From Deutsche Press**

**DUSSELDORF**—Thyssen Krupp AG said Friday that it planned to sell or seek partners for subsidiaries with billions of Deutsche marks in sales as it seeks to profit from the merger of the steelmakers Thyssen AG and Fried. Krupp AG Hoesch-Krupp.

Units with sales of up to 5 billion DM (\$2.79 billion) could be sold, including those operating in recycling, telecommunications, shipbuilding and structural steel.

The two companies unveiled on Friday plans for their merger, which will create the country's fifth-largest company.

"For Krupp," said Christian Obst of Bayerische Vereinsbank AG, "this merger is a matter of survival, and Thyssen will be much better off for it as well."

The combined company, which will be the fifth-largest in Germany, plans to have a combined 70 billion DM in sales in 1998. Sales will rise to 100 billion DM in the "foreseeable fu-

ture," said Gerhard Cromme, chief executive at Krupp and the co-chief executive of the new company. The company has targeted a 15 percent return on capital.

The companies expect to save 1 billion DM a year through the merger—\$50 million DM in steel production, 200 million DM in administration and purchasing and 250 million DM elsewhere. In an agreement with the IG Metall workers union, though, it promised that there would be no job losses before 2001. (Bloomberg, Reuters)

## WORLD STOCK MARKETS

Friday, Feb. 6					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.				
Prices in local currencies					Prices in U.S. dollars					Prices in U.S. dollars					Prices in U.S. dollars					Prices in U.S. dollars				
Amsterdam					Amsterdam					Amsterdam					Amsterdam					Amsterdam				
ABN-AMRO	42.40	41.90	42.00	41.90	ABN-AMRO	42.40	41.90	42.00	41.90	ABN-AMRO	42.40	41.90	42.00	41.90	ABN-AMRO	42.40	41.90	42.00	41.90	ABN-AMRO	42.40	41.90	42.00	41.90
Alcoa	20.20	19.80	19.90	19.80	Alcoa	20.20	19.80	19.90	19.80	Alcoa	20.20	19.80	19.90	19.80	Alcoa	20.20	19.80	19.90	19.80	Alcoa	20.20	19.80	19.90	19.80
Alstom	16.20	15.80	15.90	15.80	Alstom	16.20	15.80	15.90	15.80	Alstom	16.20	15.80	15.90	15.80	Alstom	16.20	15.80	15.90	15.80	Alstom	16.20	15.80	15.90	15.80
Alstom	37.90	37.40	37.50	37.40	Alstom	37.90	37.40	37.50	37.40	Alstom	37.90	37.40	37.50	37.40	Alstom	37.90	37.40	37.50	37.40	Alstom	37.90	37.40	37.50	37.40
Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00
Alstom	32.70	32.40	32.50	32.40	Alstom	32.70	32.40	32.50	32.40	Alstom	32.70	32.40	32.50	32.40	Alstom	32.70	32.40	32.50	32.40	Alstom	32.70	32.40	32.50	32.40
Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00
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Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00
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Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00
Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	10.00	Alstom	10.20	10.00	10.10	



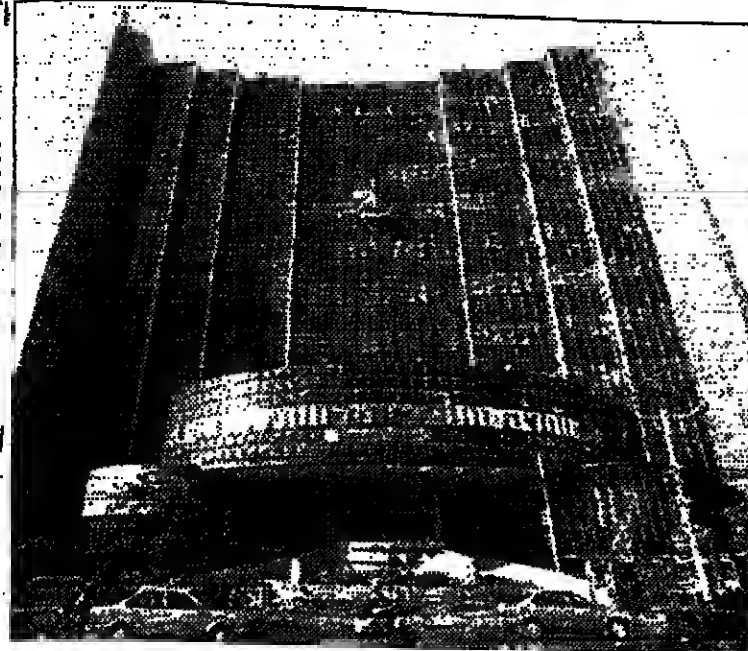
The 2,400 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

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ملفوظات الامام



ASIA/PACIFIC



The headquarters of Siam City Bank in Bangkok. The government took over Siam City and First Bangkok City Bank on Friday.

## Thailand Takes Over Two Troubled Banks

**Bloomberg News**  
BANGKOK — First Bangkok City Bank PCL and Siam City Bank PCL were seized by the government Friday, in a sign that the country is getting tough with its troubled lenders.

First Bangkok City, the country's seventh-largest bank, and Siam City, the eighth, were taken over by the Thai central bank after they failed to meet a deadline to raise more capital.

Both were ordered to use most of their shareholder equity to write off bad loans. Siam City was also ordered to replace most of its senior executives.

The takeover of the two banks, with combined assets of about 594 billion baht (\$12.18 billion), was a litmus test of the government's resolve to strengthen the country's banking industry.

Two years ago, the government took over Bangkok Bank of Commerce PCL to stem a run; two weeks ago, it was the turn of Bangkok Metropolitan Bank PCL. With the two seizures announced Friday, the

government now controls four of the country's 15 commercial banks.

"This completes the process of solving urgent problems in the financial industry," said a Bank of Thailand governor, Chaiyavut Wibulswadi. "The remaining banks have no urgent problems."

Thailand's banks were weakened by a slump in the country's stock and property markets in the past two years. Then, a devaluation of the Thai baht made it difficult for many companies to repay foreign-currency debt.

Now, the country is teetering toward recession, and up to a third of Thai banks' loans are delinquent by six months or more. Like Indonesia and other Asian countries, Thailand is trying to convince international investors and its own people that its banks are sound.

Thailand did not have much choice. In return for \$17.2 billion emergency credit arranged by the International Monetary Fund last year, the Thai government agreed to close or take over insolvent finance companies.

It was also barred from lending more money to bankrupt lenders. The central bank, through its Financial Institutions Development Fund, had lent more than 600 billion baht to troubled lenders in an attempt to keep many of them afloat.

As part of the restructuring Friday, First Bangkok City Bank was told to wipe out 99 percent of equity, or 9.9 billion baht. The Financial Institutions Development Fund will now swap 32 billion baht of loans it made to First Bangkok for new shares.

Siam City must wipe out 90 percent of its equity, or 5.5 billion baht. Old shares are worth a tenth of what they were before.

The central bank will provide 20 billion baht of new equity in loan swaps with Siam City. Its management was also overhauled.

Bangkok Bank of Commerce will write off 95 percent of its equity, or 33.8 billion baht. An additional 10 billion baht of development fund loans will be swapped for new capital.

## Indonesia Forging A Bankruptcy Law

**Reuters**  
JAKARTA — Indonesia said Friday that it was working quickly to set up a bankruptcy law, covering one of the gaps in its strategy to resolve a huge private debt problem.

It also announced that its latest total debt figures stood at \$137.424 billion at the end of 1997.

Private debt amounted to \$73.962 billion of this amount, although only a portion of these loans were believed to be truly problematic, members of a committee set up to tackle the issue said.

The government also said, however, that about 10 percent of the 90 million-strong work force could be unemployed by the end of the year because of the debilitating economic crisis.

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Thailand's banks were weakened by a slump in the country's stock and property markets in the past two years. Then, a devaluation of the Thai baht made it difficult for many companies to repay foreign-currency debt.

Now, the country is teetering toward recession, and up to a third of Thai banks' loans are delinquent by six months or more. Like Indonesia and other Asian countries, Thailand is trying to convince international investors and its own people that its banks are sound.

Thailand did not have much choice. In return for \$17.2 billion emergency credit arranged by the International Monetary Fund last year, the Thai government agreed to close or take over insolvent finance companies.

It was also barred from lending more money to bankrupt lenders. The central bank, through its Financial Institutions Development Fund, had lent more than 600 billion baht to troubled lenders in an attempt to keep many of them afloat.

As part of the restructuring Friday, First Bangkok City Bank was told to wipe out 99 percent of equity, or 9.9 billion baht. The Financial Institutions Development Fund will now swap 32 billion baht of loans it made to First Bangkok for new shares.

Siam City must wipe out 90 percent of its equity, or 5.5 billion baht. Old shares are worth a tenth of what they were before.

The central bank will provide 20 billion baht of new equity in loan swaps with Siam City. Its management was also overhauled.

Bangkok Bank of Commerce will write off 95 percent of its equity, or 33.8 billion baht. An additional 10 billion baht of development fund loans will be swapped for new capital.

## A Big Spender to Sell at a Loss

But Sino Land and the Ng Family Plan to Weather the Crisis

**Bloomberg News**  
HONG KONG — In the heyday of Hong Kong property, when home prices were rising 50 percent a year, Robert Ng outspent everyone to buy what he wanted.

Now, the bill is coming due.

With prices down 40 percent since August and still falling, Mr. Ng and his family, who run Sino Land Co., plan to sell two apartment complexes at a loss to raise cash.

In Singapore, where Robert Ng's father, Ng Teng Fong, built a fortune in property, the Ngs have asked for more time to pay a \$164 million bill to the government.

Sino Land stock, meanwhile, has fallen 48 percent this year as Mr. Ng and his executives have tried to quash speculation that the company might default on debt.

The stock finished unchanged on Friday, at 2.48 Hong Kong dollars (32 cents).

"We are not in any financial trouble," said Michael Cheng, the finance director at Sino Land.

Robert Ng is no stranger to struggles. In the 1987 stock-market plunge, Sino Land lost about \$125 million. It took several years to claw its way back.

The Far East Organization, Ng family's Singapore flagship, asked the government to give it more time to make 271.6 million Singapore dollars (\$163.7 million) in land payments. It won that extension on Thursday. The company sought to

delay its payment in Singapore to see if interest rates would decline, Robert's brother, Philip Ng, told the Straits Times newspaper.

Mr. Cheng said the company probably would not recoup its development costs for a property on Farm Road, in Hong Kong's Kowloon area. Another development will also probably be sold at a loss. But he added that the money-losing sales would be more than balanced by other profitable ones.

The firm will have more than enough cash to cover 1.2 billion Hong Kong dollars of interest payments each year. "Even if you include debt owed by associates,"

Mr. Cheng said, "our annual debt payments are about \$2 billion a year, which we will cover easily."

Many analysts, though, said the Ngs would have to work harder to persuade shareholders that Sino Land can meet its bills.

In Singapore, the family's Orchard Properties Holdings Ltd. has a debt-to-equity ratio of about 200 percent, about five times what the Ngs say Sino Land's ratio is.

Lim Chung Chun, an analyst at Ing Baring Securities Ltd., said, "Without the support of strong family backing the company would be in considerable trouble during the current weak market."

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## Sino Land Sees Lower Debt Burden

**Reuters**  
HONG KONG — Sino Land Co. said Friday it expected revenue of about 6 billion Hong Kong dollars (\$775.6 million) from apartment sales, which would help the company to lower its debt burden.

Sino Land said the sales, from now to the end of the year, would cut its debt to between 5 billion and 7 billion dollars from about 10 billion dollars. The company said in November it was expecting to sell 18 billion to 19 billion dollars' worth of residential units in Hong Kong in financial year 1997-98.

Sino's finance director, Michael Cheng, said the 6 billion-dollar figure referred to the amount that Sino Land would receive from development sales. Many of the projects are owned with partners.

Mr. Cheng said Sino Land and its subsidiaries had reduced their debt to less than 10 billion dollars from 11.5 billion dollars at the end of June 1997. "I don't see any liquidity problems," he added.

Sun Hung Kai Properties Ltd. shocked the market this week when it launched the sale of 86 units at Villa Rhapsody, part of its Symphony Bay development, at a 33 percent discount to a previous batch of flats sold at Symphony Bay in December.

## Mahathir Pushes for No-Dollar Zone

**The Associated Press**  
KUALA LUMPUR — Prime Minister Mahathir bin Mohamad of Malaysia will take to Singapore on Saturday a proposal to replace the U.S. dollar with regional currencies for some Southeast Asian trade.

But the idea, meant to curtail wild currency fluctuations, is unlikely to get a strong endorsement from Prime Minister Goh Chok Tong during the two leaders' lunch meeting at the Sentosa Island golf course.

Because of Singapore's strong economic fundamentals, high savings rate, control of property booms and managed debt, its currency has remained much stronger than other Asian currencies.

On Friday in Thailand, Mr. Mahathir said that Indonesia, Malaysia and Thailand had agreed to do business with each other in their own currencies as a way of reducing dependence on the dollar.

Mr. Mahathir said the countries would set up a "central clearinghouse" for currency transactions among Association of South East Asian Nations members. ASEAN

comprises Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

"We buy something from you, and you buy something from us," he said of the system. "We just pay the difference."

Mr. Mahathir said that although the trade would involve just the private sector, ASEAN governments would have to oversee the new exchange mechanism.

Mr. Mahathir said he hoped that the plan could be expanded throughout the region, adding that he would propose it to President Fidel Ramos of the Philippines, with whom he was to meet before flying to Singapore.

The idea of using regional currencies for trade was proposed last year at the ASEAN summit meeting in Kuala Lumpur. Such a policy has been suggested by the ASEAN Free Trade Area, a regional bloc.

But few economists believe it is feasible now. "This may be part of a wider Malaysian attempt to assert some leadership in the region," said Bruce Gale of Political & Economic Risk Consultancy Ltd. in Singapore.

## Japan Says Its Economy Has 'Stagnated'

**Compiled by Our Staff From Dispatches**  
TOKYO — The Japanese economy has "stagnated" as pessimism among consumers and companies continues to depress spending and capital investment, the government said Friday.

The Economic Planning Agency lowered its assessment of the economy for the sixth straight month, using the term "stagnated" in its February report for the first time since January 1975, when the econ-

omy was reeling from soaring oil prices.

"The situation isn't going to get any worse," said Akira Furukawa of the agency's research bureau, "but it's still going to be dire."

None of Japan's economic indicators points to a recovery, the agency said, with retail sales, home sales, jobs and wages falling and companies having difficulty borrowing from banks.

The Trade Ministry said Friday

that Japan's credit crunch was no longer affecting just smaller companies, with more than 40 percent of large companies now facing tight lending conditions.

Mr. Furukawa said he could neither confirm nor deny that Japan was in recession.

"The risk of the economy improving is about the same as the risk of the economy continuing to weaken," he said. "But it's not going to nose-dive." (Bloomberg, Reuters)

# Investor's Asia

Hong Kong Hang Seng

Singapore Straits Times

Tokyo Nikkei 225

Exchange	Index	Friday Close	Fri. Close	% Change
Hong Kong	Hang Seng	10,485.88	10,442.15	+0.42
Singapore	Straits Times	1,536.91	1,492.15	+3.00
Sydney	All Ordinaries	2,656.10	2,657.30	-0.07
Tokyo	Nikkei 225	17,946.06	17,003.30	+5.22
Kuala Lumpur	Composite	728.19	712.81	+2.16
Bangkok	SET	535.95	531.11	+0.92
Seoul	Composite Index	549.35	528.05	+4.05
Taipei	Stock Market Index	8,544.14	8,621.97	-0.90
Manila	PSE	2,036.78	2,048.15	-0.60
Jakarta	Composite Index	535.45	513.48	+4.27
Wellington	NZSE-40	Closed	2,242.78	
Bombay	Sensitive Index	3,366.70	3,357.48	+0.27

Source: *Telekurs*

International Herald Tribune

## Very briefly:

- Taiwan livestock breeders boycotted grain imports from the United States to retaliate against U.S. pressure on Taiwan to announce farm-trade concessions. Taiwan is reported to have agreed to cut tariffs on pork and chicken imports in exchange for Washington's support for the island's bid to join the World Trade Organization in negotiations next week.
- Toyota Motor Corp. sold bonds in Japan for the first time in 27 years to take advantage of low interest rates. Toyota, which is paying 2.35 percent interest on most of the 200 billion yen (\$1.6 billion) in 10- and 20-year bonds, will use the money to redeem Eurobonds that were costing 5.625 percent.
- Long-Term Credit Bank of Japan Ltd. is paying twice as much of a yield premium on its five-year debentures, compared with two months ago, according to the Japan Securities Dealers Association. The bank raises about half its funds through the sale of such unsecured bonds.
- Nomura Securities Co. expects to make a pretax profit of 100 billion yen (\$807 million) for the financial year ending March 31. The brokerage reported a pretax loss of 198 billion yen for the previous financial year. Nomura, hit by a series of racketeering scandals, was suspended from stock trading on its own account until the end of 1997 and was also temporarily barred from taking part in government bond auctions.
- The Hong Kong Tourist Association said 1997 visitor arrivals fell 11 percent, to 10.4 million as tourism revenue sank 15 percent, to 72.1 billion Hong Kong dollars (\$9.32 billion).
- Banco Santander SA, Spain's biggest bank, said it submitted a proposal to Hong Kong authorities to hire 150 members of the equity team of the bankrupt company Peregrine Investments Holdings Ltd. The team is headed by Andrew Jamieson, chief executive officer of Peregrine Securities. (Bloomberg, Reuters, AFP)

## Fujitsu Cuts Profit Outlook By 78% Over Slumping Sales

**Compiled by Our Staff From Dispatches**  
TOKYO — Fujitsu Ltd. cut its group net profit outlook for the year through March by 78 percent Friday because of slumping sales of personal computers, memory chips and mobile phones.

The No. 1 Japanese computer maker said it expected a group net profit of 10 billion yen (\$80.6 million) for the period, against the 46 billion yen it forecast in October and the 46.15 billion yen it posted in its last year.

Fujitsu is the fourth of Japan's five largest chipmakers to announce worse-than-expected earnings forecasts for the current year. Its shares finished down 10 yen at 1,450.

Restructuring and other costs of related to Fujitsu's purchase in September of the rest of its U.S. mainframe computer unit, Amdehl Corp., will be 45 billion yen this year, a director, Takashi Takaya, said, 10 billion yen more than estimated. (Bloomberg, Reuters)

## GLOBAL: Argentina, a Paradigm of the New Economic Order, Grapples With the Effects of Change

**Continued from Page 1**  
ident Carlos Saul Menem could find — were privatized or sold to international investors as the country embraced free-market capitalism with the vengeance it had once shown in nationalizing everything.

"We're a country of extremes," said Hector Sabato, director of tourism in the southern town of Bariloche. "The old theme of the invading Yankee has given way to the wonderful Yankee driving the global train that you'd better board immediately or you're finished!"

So the shock has been that much greater as globalization has shown its other face. Since the Asian crisis hit, plants have been idled, growth forecasts have been slashed and the Argentine stock market has plunged more than 25 percent — although from historic heights.

"What's frightening," said Jorge Bustamante of Merchant Bankers Associates, the Buenos Aires representatives of Salomon Brothers, "is that however much you scream you're not a region, not the developing world, you're Argentina, you're different, it doesn't matter."

Latin America resembles Asia in its acute dependence on international capital, but in other ways it is indeed profoundly different. The region has been through two financial collapses — the debt crisis of the 1980s and the Mexican meltdown of late 1994. These battered the banking system and left sobered banks, now often in foreign hands. The scope for nasty surprises of the South Korean or Indonesian variety has been sharply curtailed.

"Hot money," — the huge short-term capital flows at the heart of the Asian crisis — has ceded the dominant place it once held in Latin America to longer-term investment, of the kind now being made by Ford, RJR Nabisco, Nestle and countless others.

Yet, such distinctions appear to have only limited value.

"The financial risks of globalization are a lot bigger than optimists imagined," said Paul Krugman, a professor of economics at Massachusetts Institute of Technol-

ogy. "We are back to a volatile, pre-Depression world economy of financial booms and busts quite different from the Cold War years."

In Argentina, this volatility has fueled opposition to what is widely considered neo-liberalism, or *capitalismo salvaje*, the radical application of the free-market model personified by the United States. Unaccustomed to living with economic pariahs — such as the millions of unemployed in Brazil who have never found a way to join the economy — Argentines are discovering what permanent exclusion from the job market means.

Already a political reaction is evident. An alliance of opposition parties defeated Mr. Menem's Peronist Party in congressional elections in October. If a new crisis enveloped the region, the reaction to neo-liberalism could be violent.

At the headquarters of the Roman Catholic diocese in the city of San Salvador de Jujuy, a sign on the door reads, "We regret that we cannot attend the unemployed here." Bishop Marcelo Palentini is overwhelmed. He sits behind a computer, working a cellular phone and an electronic agenda, but he does not like the modern world.

In the province of Jujuy, be estimates, 42 percent of the population is unemployed or doing menial work. People used to ask for raises; now they ask for a job.

Jujuy long had a bloated state payroll, a massively subsidized state-owned steel company, and labor-intensive sugar, tobacco and fruit farms. Then, in the 1990s, the free-market revolution arrived.

The provincial bank was privatized. The power utility was privatized. The postal service was privatized. The steel company was sold to Citicorp Equity, an Argentine investment group 40 percent owned by Citicorp. The phones were bought by Telecom, a private international group. Agriculture was transformed by imported American machines, each replacing 80 laborers during the cane harvest. Things began to work better; workmen began losing jobs. Unemployment soared, to about 17 percent.

Last year the unemployed let their resentment show. Angry people blocked 21 provincial highways for several days. They held hunger strikes in which five unemployed men sewed up their mouths. Several people were injured.

The protests eased only after the mediation of Bishop Palentini. He helped to hammer out an agreement creating six-month "work contracts" for several hundred unemployed, who agreed to do menial jobs for \$200 a month.

Privatization, the bishop said, is positive, "but capital must consider a social dimension."

Still, for the Peronist governor of Jujuy, Carlos Alfaro Ferraro, privatization is just beginning. Sitting in an office adorned with photographs of General Juan Peron and his wife Eva, he explained, "Look, it's simple. There is an Americanization of the world. We cannot go in the opposite direction. At last we are going to make America here."

And what of the photos of the Perons, the very symbols of a state-dominated, nationalist Latin American model? Peronism means revolution, the governor said. That meant nationalization in 1946 and privatization today.

"The heart of Peronism is economic independence," he beamed. "and how could I be independent when my phones didn't work?"

When Peron took power in the 1940s, he set about distributing Argentina's prosperity — comparable to that of leading European countries — to build a mass following.

By 1990, in the words of Carlos Fedrigotti, Citicorp's chief executive in Argentina, "the place had simply collapsed beneath the waste, corruption and mismanagement of a welfare state gone wild."

Collapse took several forms. The postal service favored theft over delivery of mail. It could take a decade to get a phone. The economy shrank by 12 percent during the 1980s.

Argentina's travails were those of a protectionist, coup-plagued continent. Because the economy had failed so completely, when the Berlin Wall fell and Mr. Menem abruptly decided to undo Peron's leg-

acy, Argentina was something close to a blank canvas.

With the economic reforms, growth surged, reaching 8 percent in the first nine months of this year. American investment, including that of the New York financier George Soros, poured in.

But if it has drawn the favors of international investors through its reforms, Argentina has also become plagued by new uncertainties.

To look into the vacant eyes of Roberto Angel Garcia is to understand something of the cruelty of the economic upheaval that competing with the world has meant for Latin America.

**'There is an Americanization of the world. We cannot go in the opposite direction. At last we are going to make America here.'**

Mr. Garcia was dismissed in 1992 along with thousands of other workers from Citicorp Equity's Aceros Zapla steel plant in the town of Palpa. Long run by the armed forces, it was legendary for its padded contracts until privatization came. Then its work force was slashed to 709 people from 5,000. The company now produces high-quality special steels and expects to start making a profit this year.

The change will no doubt bring benefits in the long term: Postwar development shows that countries that open to trade ultimately do better. But Mr. Garcia is paying the price for the adjustment.

At 53, he was too young for a pension, too old to find other work. "They told us we were being fired because we were losing money," he said, "but nobody had ever talked about losses before."

Throughout Latin America, industries that could once afford to be inefficient because of high inflation, repeated devaluations and scant competition from imports masked their failings suddenly find themselves in

a desperate push for productivity.

To be productive — to make more shoes or cookies per employee — generally involves using fewer people and the better machines now available from elsewhere. The job cuts tend to fall on the old, who then join the globally unemployed.

A gargantuan union leader in Jujuy, Carlos Santillan, known as El Perro, or "the dog," has become the mouthpiece of the unskilled outcasts.

"Menem thinks that by putting our country at the service of the International Monetary Fund, he brought us into the First World," he said. "But workers have lost in a few years rights they fought for over a century. We're a colony here. All that is missing is to have Clinton come here and plant the American flag."

Indeed the single most potent symbol of the new Argentina is the dollar. For decades, citizens used to start the day by checking the dollar rate. Inevitably the inflation-racked peso had fallen.

After yet another bout of hyperinflation, a currency board similar to Hong Kong's was established in 1991 and a rate of one peso to one dollar was established by law. Not a peso can be printed unless it is backed by a dollar.

Of course the dollar-peso convertibility carries a price. Argentina is expensive. Salaries — about \$700 a month in a factory — are relatively high. It is hard for businesses to compete globally.

Moreover the strong currency, in an open economy, sucks in imports. Entire industries — toys among them — have been wiped out by cheap imports from China, where a worker's wage may be no more than \$40 a month. Argentina, with its exports to Brazil affected by the Asian-induced downturn there, faces a rising trade deficit in 1998.

To offset this, it is essential that international capital, already threatened by Asia, continue to flow — which it will do only if Argentina's productivity continues to rise.

"With the United States as a reference, you have to run all the time," Mr. Bustamante, the banker, said. "Convertibility means you can never relax."

## WORKERS: Fear in Indonesia

**Continued from Page 1**  
third, to 8.5 million. This fast-rising number and steep increases in prices for many basic commodities have fueled concern that widespread unrest could threaten the stability of the nation.

As Indonesia prepares for the confirmation of President Suharto next month to a seventh five-year term, economic pressures have mingled with political tensions to produce its worst crisis in decades.

The crucial question, as one longtime foreign resident here put it, is: "Can you translate 'I don't have any bread' into 'Damn the government'?" If a factory closes, who does the worker get mad at? Does he curse the government or does he curse his employer?"

The answer among the workers at the Gunawan steel plant suggested that Mr. Suharto's policy of depoliticizing Indonesia has been bearing fruit. During his 32 years in power, the president has co-opted opposition parties, banned grassroots political activity and persuaded most people to leave the governing to him.

The grumbling of the men who waited by their motorcycles Thursday was aimed not at the government but at their employer, whom they accused of using the economic crisis as a cover for squeezing their pay and benefits.

When asked whether the government was to blame for their hardships, a worker grew quiet. "I don't want to talk about that," he said, and he insisted that his name not be printed. "I don't dare talk about the government."

The man, who wore a dirty red Ralph Lauren sweatshirt, said social unrest was a real possibility as unemployment rises. More certainly, he said, jobless workers were likely to turn to crime to feed their families. "It's a matter of the stomach," he said. "Stomachs are very sensitive."

The announcement was a powerful performance by the factory owners and local security forces. Five men took their turns at a microphone: a company representative, a pro-government union leader, an official of the Manpower Ministry, and the army and police commanders.

Bambang, a member of the company's board of directors — who like many Indonesians uses only one name — took the occasion to blame some of the company's troubles on agitators who had led a recent slowdown to demand bigger annual bonuses.

"The management tried to keep our ship from sinking," he said, "but unfortunately the efforts of the company did not get the support of all of you."

The army commander, Lieutenant Colonel Kadri Kusuman, put it another way: "Those of you who lose your jobs, don't ask the ones who still have work to join a boycott. I warn you: If you do not do your jobs properly, the company will suffer."

In case any of the workers had missed the message, the police chief, Lieutenant Colonel Sumaryono, said: "We from the police will take firm measures against all people who take such actions. We call on you to stop provocations, stop preventing others from working. After the company reopens tomorrow, we will continue monitoring you."

Then he added the hope of authorities in factory towns around the country: "Those of you who lose your jobs, please go home to your villages."

Only one statement Thursday drew applause — the only statement to offer a bleak suggestion of hope. "From the seeds of suffering," the union representative said, "we can grow a better future."



NASDAQ

Friday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar volume, updated twice a year.  
The Associated Press.

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
174	153	151	IBM	3.90	12.5	174	151	+1
169	148	146	Microsoft	2.50	14.5	169	146	+1
168	147	145	Oracle	2.50	14.5	168	145	+1
167	146	144	Novartis	2.50	14.5	167	144	+1
166	145	143	Merck	2.50	14.5	166	143	+1
165	144	142	Johnson & Johnson	2.50	14.5	165	142	+1
164	143	141	Pfizer	2.50	14.5	164	141	+1
163	142	140	Glaxo	2.50	14.5	163	140	+1
162	141	139	Roche	2.50	14.5	162	139	+1
161	140	138	Schering-Plough	2.50	14.5	161	138	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
160	139	137	Amgen	2.50	14.5	160	137	+1
159	138	136	Abbott	2.50	14.5	159	136	+1
158	137	135	Boehringer Ingelheim	2.50	14.5	158	135	+1
157	136	134	Novartis	2.50	14.5	157	134	+1
156	135	133	Merck	2.50	14.5	156	133	+1
155	134	132	Johnson & Johnson	2.50	14.5	155	132	+1
154	133	131	Pfizer	2.50	14.5	154	131	+1
153	132	130	Glaxo	2.50	14.5	153	130	+1
152	131	129	Roche	2.50	14.5	152	129	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
151	130	128	Schering-Plough	2.50	14.5	151	128	+1
150	129	127	Amgen	2.50	14.5	150	127	+1
149	128	126	Abbott	2.50	14.5	149	126	+1
148	127	125	Boehringer Ingelheim	2.50	14.5	148	125	+1
147	126	124	Novartis	2.50	14.5	147	124	+1
146	125	123	Merck	2.50	14.5	146	123	+1
145	124	122	Johnson & Johnson	2.50	14.5	145	122	+1
144	123	121	Pfizer	2.50	14.5	144	121	+1
143	122	120	Glaxo	2.50	14.5	143	120	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
142	121	119	Roche	2.50	14.5	142	119	+1
141	120	118	Schering-Plough	2.50	14.5	141	118	+1
140	119	117	Amgen	2.50	14.5	140	117	+1
139	118	116	Abbott	2.50	14.5	139	116	+1
138	117	115	Boehringer Ingelheim	2.50	14.5	138	115	+1
137	116	114	Novartis	2.50	14.5	137	114	+1
136	115	113	Merck	2.50	14.5	136	113	+1
135	114	112	Johnson & Johnson	2.50	14.5	135	112	+1
134	113	111	Pfizer	2.50	14.5	134	111	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
133	112	110	Glaxo	2.50	14.5	133	110	+1
132	111	109	Roche	2.50	14.5	132	109	+1
131	110	108	Schering-Plough	2.50	14.5	131	108	+1
130	109	107	Amgen	2.50	14.5	130	107	+1
129	108	106	Abbott	2.50	14.5	129	106	+1
128	107	105	Boehringer Ingelheim	2.50	14.5	128	105	+1
127	106	104	Novartis	2.50	14.5	127	104	+1
126	105	103	Merck	2.50	14.5	126	103	+1
125	104	102	Johnson & Johnson	2.50	14.5	125	102	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
124	103	101	Pfizer	2.50	14.5	124	101	+1
123	102	100	Glaxo	2.50	14.5	123	100	+1
122	101	99	Roche	2.50	14.5	122	99	+1
121	100	98	Schering-Plough	2.50	14.5	121	98	+1
120	99	97	Amgen	2.50	14.5	120	97	+1
119	98	96	Abbott	2.50	14.5	119	96	+1
118	97	95	Boehringer Ingelheim	2.50	14.5	118	95	+1
117	96	94	Novartis	2.50	14.5	117	94	+1
116	95	93	Merck	2.50	14.5	116	93	+1

NYSE  
Friday's 4 P.M. Close  
(Continued)

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
174	153	151	IBM	3.90	12.5	174	151	+1
169	148	146	Microsoft	2.50	14.5	169	146	+1
168	147	145	Oracle	2.50	14.5	168	145	+1
167	146	144	Novartis	2.50	14.5	167	144	+1
166	145	143	Merck	2.50	14.5	166	143	+1
165	144	142	Johnson & Johnson	2.50	14.5	165	142	+1
164	143	141	Pfizer	2.50	14.5	164	141	+1
163	142	140	Glaxo	2.50	14.5	163	140	+1
162	141	139	Roche	2.50	14.5	162	139	+1
161	140	138	Schering-Plough	2.50	14.5	161	138	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
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158	137	135	Boehringer Ingelheim	2.50	14.5	158	135	+1
157	136	134	Novartis	2.50	14.5	157	134	+1
156	135	133	Merck	2.50	14.5	156	133	+1
155	134	132	Johnson & Johnson	2.50	14.5	155	132	+1
154	133	131	Pfizer	2.50	14.5	154	131	+1
153	132	130	Glaxo	2.50	14.5	153	130	+1
152	131	129	Roche	2.50	14.5	152	129	+1
151	130	128	Schering-Plough	2.50	14.5	151	128	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
150	129	127	Amgen	2.50	14.5	150	127	+1
149	128	126	Abbott	2.50	14.5	149	126	+1
148	127	125	Boehringer Ingelheim	2.50	14.5	148	125	+1
147	126	124	Novartis	2.50	14.5	147	124	+1
146	125	123	Merck	2.50	14.5	146	123	+1
145	124	122	Johnson & Johnson	2.50	14.5	145	122	+1
144	123	121	Pfizer	2.50	14.5	144	121	+1
143	122	120	Glaxo	2.50	14.5	143	120	+1
142	121	119	Roche	2.50	14.5	142	119	+1
141	120	118	Schering-Plough	2.50	14.5	141	118	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
140	119	117	Amgen	2.50	14.5	140	117	+1
139	118	116	Abbott	2.50	14.5	139	116	+1
138	117	115	Boehringer Ingelheim	2.50	14.5	138	115	+1
137	116	114	Novartis	2.50	14.5	137	114	+1
136	115	113	Merck	2.50	14.5	136	113	+1
135	114	112	Johnson & Johnson	2.50	14.5	135	112	+1
134	113	111	Pfizer	2.50	14.5	134	111	+1
133	112	110	Glaxo	2.50	14.5	133	110	+1
132	111	109	Roche	2.50	14.5	132	109	+1
131	110	108	Schering-Plough	2.50	14.5	131	108	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
130	109	107	Amgen	2.50	14.5	130	107	+1
129	108	106	Abbott	2.50	14.5	129	106	+1
128	107	105	Boehringer Ingelheim	2.50	14.5	128	105	+1
127	106	104	Novartis	2.50	14.5	127	104	+1
126	105	103	Merck	2.50	14.5	126	103	+1
125	104	102	Johnson & Johnson	2.50	14.5	125	102	+1
124	103	101	Pfizer	2.50	14.5	124	101	+1
123	102	100	Glaxo	2.50	14.5	123	100	+1
122	101	99	Roche	2.50	14.5	122	99	+1
121	100	98	Schering-Plough	2.50	14.5	121	98	+1

12 Month	High	Low	Stock	Div Yld	PE	100% High	Low/Latest	Change
120	99	97	Amgen	2.50	14.5	120	97	+1
119	98	96	Abbott	2.50	14.5	119	96	+1
118	97	95	Boehringer Ingelheim	2.50	14.5	118	95	+1
117	96	94	Novartis	2.50	14.5	117	94	+1
116	95	93	Merck	2.50	14.5	116	93	+1
115	94	92	Johnson & Johnson	2.50	14.5	115	92	+1
114	93	91	Pfizer	2.50	14.5	114	91	+1
113	92	90	Glaxo	2.50	14.5	113	90	+1
112	91	89	Roche	2.50	14.5	112	89	+1
111	90	88	Schering-Plough	2.50	14.5	111	88	+1

Quarterly Scoreboard

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# THE MONEY REPORT

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MONDAY  
SPORTS

## Quarterly Scoreboard: A Track Record of Investment Advice

A review of investment tips that appeared in The Money Report in the fourth quarter, and subsequent performance of the investments recommended. Prices quoted are from the trading day immediately preceding the publication data listed and in local currency. Analysts' affiliations are provided the first time they are mentioned.

Source	Company	Sector	Who	Prediction	Issue	Price then	Price now
ABN AMRO Bank	ABN AMRO Bank	Bank	Henry Gooss	Buy	Oct. 11	218.00	188.00
ABN AMRO Bank	ABN AMRO Bank	Bank	Henry Gooss	Buy, first-rate organization	Oct. 11	40.00	41.50
Adidas SA	Adidas SA	Apparel	Michael Levy	Buy for aggressive growth	Oct. 11	527.00	498.50
Adidas AG	Adidas AG	Apparel	Michael Levy	Buy	Oct. 11	236.00	268.00
Advent Software	Advent Software	Software maker	Peter Canale	Buy, may make a lot of money	Oct. 11	30.00	26.95
Air New Zealand	Air New Zealand	Airline	Karen Barnett	Buy, 8 shares to rise to 102.00 in one year	Oct. 25	3.80	2.85
Aluminum Co. of America	Aluminum Co. of America	Aluminum	Michael Lynch	Buy	Nov. 29	67.25	76.75
Amcor Ltd.	Amcor Ltd.	Paper, packaging	Macquarie Equities	Buy	Oct. 25	7.40	6.92
American Home Products Corp.	American Home Products Corp.	Pharmaceuticals	Peter Canale	Buy for strong demand	Oct. 11	72.50	95.475
American Shilling Corp.	American Shilling Corp.	Recess	Barry Rothberg	Shares will double to \$35 by end-1998	Dec. 6	15.825	13.8125
American Shilling Corp.	American Shilling Corp.	Recess	Mark Mennin	Shares will double to \$35 by end-1998	Dec. 6	15.825	13.8125
American Stores Inc.	American Stores Inc.	Food and drug retailer	Smith Barney Inc.	Growth, reasonable price	Nov. 1	25.875	21.75
Amgen Inc.	Amgen Inc.	Pharmaceuticals	Duncan Ryals	Buy for domestic and export growth	Nov. 22	11.025	16.75
Associated First Capital	Associated First Capital	Consumer services	Charles Henderson	Buy	Dec. 27	68.675	68.00
AT&T Corp.	AT&T Corp.	Utility	Kathleen	Buy before mid-January retesting	Dec. 27	61.025	62.625
Automatic Data Processing Inc.	Automatic Data Processing Inc.	Payroll	Smith Barney Inc.	Growth, reasonable price	Nov. 1	51.125	58.8125
Avis Rent a Car	Avis Rent a Car	Rental	John Boich	Buy, long-term growth	Oct. 11	148.00	169.00
AXA Insurance	AXA Insurance	Insurance	Michael Levy	One of the world's great	Oct. 11	368.00	508.00
Banco Santander SA	Banco Santander SA	Bank	Michael Levy	Buy	Oct. 11	448.00	547.00
Banco Santander SA	Banco Santander SA	Bank	Robert Peltz	Buy	Dec. 27	3.05	2.82
Bank of Bermuda	Bank of Bermuda	Bank	John Boich	Undervalued	Nov. 1	28.00	35.00
Bank One Corp.	Bank One Corp.	Bank	Thomas McLuhan	Buy	Oct. 11	57.00	65.675
Bank of N.T. Butterfield Ltd.	Bank of N.T. Butterfield Ltd.	Bank	John Boich	Undervalued	Nov. 1	14.375	16.00
BAT Industries PLC	BAT Industries PLC	Tobacco	Simon Davies	Buy with a five-year view	Nov. 15	531.00	598.00
Bay Networks	Bay Networks	Computer network	Scott Black	Buy	Oct. 18	35.125	27.00
Bear Stearns	Bear Stearns	Investment bank	Jeff Corry	Buy	Nov. 1	32.75	34.00
Berkshire Hathaway	Berkshire Hathaway	Insurance	Henry Gooss	Buy, long-term growth	Oct. 11	54.7125	47.625
Bombardier Inc.	Bombardier Inc.	Transport	Thomas McLuhan	Buy	Oct. 11	38.25	28.25
Bombardier Inc.	Bombardier Inc.	Transport	Macquarie Equities	Buy	Oct. 25	27.81	26.70
Bombardier Inc.	Bombardier Inc.	Transport	Michael Levy	Buy	Oct. 11	621.00	515.00
Borealis Inc.	Borealis Inc.	Chemicals	John Boich	Buy, high return on equity	Oct. 11	912.50	899.00
Cable & Wireless	Cable & Wireless	Telecommunications	John Boich	Buy	Nov. 29	536.00	626.00
Campbell Soup Co.	Campbell Soup Co.	Food	Yves Cocher	Buy	Nov. 15	52.8125	53.50
Carroll Corp.	Carroll Corp.	Apparel	Eugene J. Perini	Buy	Dec. 27	59.50	58.50
Carroll Corp.	Carroll Corp.	Apparel	Robert Peltz	Buy	Dec. 27	59.50	58.50
Carroll Corp.	Carroll Corp.	Apparel	Michael Levy	Buy	Oct. 11	53.125	55.8125
Carroll Corp.	Carroll Corp.	Apparel	John Boich	Buy	Oct. 11	3.09	2.84
Carroll Corp.	Carroll Corp.	Apparel	Michael Levy	Buy	Oct. 11	71.50	58.875
Carroll Corp.	Carroll Corp.	Apparel	Scott Black	Buy	Oct. 18	72.375	64.25
Carroll Corp.	Carroll Corp.	Apparel	Yves Cocher	Buy	Nov. 29	70.825	21.00
Carroll Corp.	Carroll Corp.	Apparel	Scott Black	Buy	Oct. 18	53.325	62.625
Carroll Corp.	Carroll Corp.	Apparel	Peter Canale	Buy	Oct. 11	54.250	62.625
Carroll Corp.	Carroll Corp.	Apparel	Henry Gooss	Buy	Oct. 11	138.00	119.00
Carroll Corp.	Carroll Corp.	Apparel	Peter Canale	Buy	Oct. 11	138.00	119.00

## Nice Forest, Scrawny Trees

### 4th-Quarter Picks Indicate Telescopes Beat Microscopes

By Aline Sullivan

TO ASK FOR ADVICE may be, in nine cases out of 10, to tout for flattery, said the 19th-century wit Churton Collins. But even in the 10th case, the request may not elicit information of much use: Ask professional investors what to buy and it seems they simply laud what they know best.

That, as demonstrated in The Money Report by some of this quarter's picks and pans, does not always make for the most lucrative advice. At least on some occasions, it appears that great familiarity with local investment opportunities can breed too high a regard.

For example, Singapore's Straits Times index may yet reach 1,800 by the end of this year, as predicted Dec. 27 by Kevin Cully, head of research at Schroder Securities (Singapore). But first it must reverse direction: The index sank 292.6 points, or 19 percent, in January.

Likewise, Air New Zealand B-shares may indeed rise to 5 New Zealand dollars (\$2.90) in a year, as predicted Oct. 25 by Kevin Bennett, equity research chief at Doyle Patterson Brown in Wellington. But they will have to more than recoup the 20 percent loss that they posted after the forecast was made.

In the United States, the analysts at Smith Barney must rue the day — Nov. 1, to be exact — when they labeled a homegrown company, Noble Drilling Corp., "reasonably priced." The shares have since dropped 24 percent.

"Sometimes, knowing your own country too well can be a terrible thing," observed Jim Rogers, author of "Investment Biker" and co-founder of the Quantum Fund. "Investors are too focused on every little tree to see the forest."

Of course, all these recommendations may turn out right in the end. A period of one month — or even four months — provides only a hint as to how forecasts intended for a year will fare.

Indeed, two of the three American depositary receipts that fared so badly in the first quarterly review of The Money Report's picks and pans in November — the Mexican cement company Cemex Internacional SA and the German chemical company Hoechst AG — have since started to recover. The third ADR on the list, Sony Corp., has finally justified the recommendation by rising 2 percent.

Shane Oliver, chief economist at AMP Investments Australia Ltd., saw his worst fears come true when the Asian financial crisis spread in recent months to South Korea. But the effect on Australia's exports has not been what he expected, at least so far. Instead, the Sydney All Share Ordinaries index rose 4 percent and may be on target to reach the 2,850 points that Mr. Shane had forecast by mid-1998, assuming the Asian crisis remained contained.

No one would suggest that ignorance is bliss in the marketplace. But it does appear that distance coupled with knowledge can sometimes enhance an investor's perspective.

Consider the Oct. 11 recommendations of Michael Levy, managing director at Bankers Trust New York Co. The U.S. software maker Oracle Corp., one of the companies closest to home, fared the worst, down 36 percent. WorldCom Inc. and British Aerospace PLC also were not great successes.

But most of his continental European picks were excellent: Portugal Telecom SA and France's AXA-UAP SA each rose 27 percent, Suez Lyonnaise des Eaux SA of France rose 17 percent, Spain's Banco Santander SA was up 27 percent and Adidas AG of Germany gained 13 percent.

Mr. Levy also identified what proved to be the quarter's star performer: Credito Italiano SpA, which has soared an astounding 60 percent since he cited it on Oct. 11.

On the same day, Jean-Marie Eveillard, president and portfolio manager of the SoGen International Fund, who is also based in New York, called the German software maker SAP AG "a great company." Its shares have since gained 32 percent.

But in the United States, where Mr. Eveillard has lived and worked for 20 years, he called it wrong: Shares in the packaging group Zero Corp. slid 8 percent.

These fund managers are paid to think globally, so it may not be surprising that they seem more at home in the major foreign markets than in their own. Relying on someone based in New York or London for information on Papua New Guinea may be too great a test for the analyst's sophistication, however. Investors outside the big markets should seek local advice.

Those who did so in Bermuda have reason to be pleased. Three of the four Bermuda companies cited by local analysts on Nov. 1 performed well: Bank of N.T. Butterfield Ltd. and Bank of Bermuda Ltd. each rose 25 percent, while Bermuda Telephone Co. gained 4 percent. TeleBermuda International Ltd., which slid 3 percent, was the only disappointment.

MORE alarming than professional investors who sometimes cannot see the woods for the trees in their own backyards are those who recommend what they own. It is not necessarily what they would like to buy.

A case in point: Four of the five U.S. real estate investment trusts that were praised on Oct. 4 by real-estate fund managers who mostly owned the shares subsequently slipped in value. (REIT shares in general plunged on Monday, the day after this data was compiled, in response to the Clinton administration's proposed budget for fiscal year 1999, which affects the tax-exempt status of a traditional REIT while operating other businesses. Traditional REITs are not permitted to operate non-real-estate businesses.)

More generally, readers may remember that seven of the 10 shares recommended on July 19 as "fresh money buys" by Byron Wien, U.S. equity strategist at Morgan Stanley, Dean Witter, Discover & Co. in New York, proved successful three months later. Since then, their performance has been more mixed: Citicorp slid 4 percent in the following three months, Diamond Offshore Drilling Inc. fell 7 percent and Cisco Systems Inc. dropped 17 percent.

On the plus side, BankAmerica Corp. shares rose 10 percent and Warner Lambert Co. was up 13 percent, while HFS Inc. jumped 38 percent. Kmart Corp. held steady and SunAmerica Inc. also remained fairly stable.

Mr. Wien's errors have proved to be more consistent. Only two of the 10 shares recommended by him turned out to be flops by the first quarter's roundup. Time has not improved them. Shares in Advanced Micro Devices Inc. slid a further \$3 in the past three months to \$20, compared with \$37 in July. Manpower Inc. continues to hover around \$39, well down from the level of \$47 when it was first mentioned.

Well worth listening to this time around were John Boich of Montgomery Asset Management in New York and John Leonard of Salomon Brothers Inc. in London.

Mr. Boich advised investors on Oct. 11 to buy shares in the British bus-maker Henley Group PLC before they rose 22 percent and the British transport company National Express Group PLC before they rose 28 percent.

Mr. Leonard cited Istituto Bancario San Paolo di Torino on Oct. 4. Shares in the Italian bank have since soared 46 percent.



**INTERNATIONAL FUNDS**

**For information on how to list your fund, fax Katy Hourl at (33-1) 41 43 92 12 or E-mail : [funds@int.com](mailto:funds@int.com)  
To receive free daily quotations for your funds by E-mail : [subscribe@e-funds@int.com](mailto:subscribe@e-funds@int.com)**

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**Quarterly Scoreboard:**

**All in the Family**

**W**

**Buffett's Silver**

**W**

**BRIEFCASE**

**Selling Old Paper**  
**7/14 That It's Worth**







## World Roundup

### The Norman Angle

**GOLF** Greg Norman's golf game took a nose-dive on Friday after he spent much of the day fending off questions over a possible connection with the Bill Clinton-Monica Lewinsky case.

Norman found his concentration affected so much by the off-course grilling that he shot a one-over-par 73 in the second round of the Greg Norman International tournament in Sydney, leaving him seven strokes off the lead at the halfway stage.

Norman said suggestions that the former White House intern Monica Lewinsky accompanied the president when he visited Norman's Florida home last year were untrue and had deeply upset him. "I should never have been included in this — just because I know the president of the United States they figured I might be fair game," an angry Norman said.

"I feel sorry for the president," Norman added. "What he does in his private life is his business."

Clinton's visit to Norman's home made headlines in March when the president tripped and injured his knee. (Reuters)

### 3,000 Record Broken

**ATHLETICS** Daniel Komen of Kenya set a world indoor record of 7 minutes 24.90 seconds in the men's 3,000 meters Friday night at the Samsung Cup international competition in Budapest. It was the second time in a week the record had been smashed. Last Sunday, Haile Gebrselassie of Ethiopia clocked 7:26.14 in Stuttgart. (AP)

### England Is Fired Up

**RUGBY** England says it sees Saturday's clash with France as the high point of the season. "The adrenaline is running high now more than before the games against South Africa and New Zealand when we were the underdogs," Coach Clive Woodward said Friday after England held a training session at the Stade de France, the new French national stadium in a north Paris suburb. "The pitch is perfect," Woodward said of the field that needed 48 hours' special heating to defrost it for the match. (Reuters)

### Knoblauch to Yanks

**BASEBALL** The New York Yankees have agreed to a trade that will bring them Chuck Knoblauch, one of the game's premier second basemen. They have settled on the four minor-leaguers they will send to the Minnesota Twins in exchange, the most prominent of whom is Eric Milton, their top pitching prospect. (NYT)

### Graf Aiming for Paris

**TENNIS** Steffi Graf will return to competitive tennis at the Paris Open next week after being sidelined for seven months with a knee injury, tournament organizers said Friday. (Reuters)

## Austrians Downcast on Downhill

### To Rivals' Consternation, Favorites Complain About This and That

By Amy Shipley  
Washington Post Service

**HAKUBA, Japan** — Weighed down by high expectations in the Olympic alpine events, some Austrian ski team members were in decidedly poor spirits Friday, just 48 hours before Sunday's prestigious downhill event.

Hermann Maier, the Austrian who is favored to win medals in three races, says the Happono downhill course does not suit him one bit — it's too easy.

#### WINTER OLYMPICS

Five of his teammates, meanwhile, are fighting over their nation's last Olympic team spot, worried that they won't make the cut for the men's downhill although all are among the world's best skiers.

"I am slow," Werner Franz said somberly, despite finishing in fifth place in a trial run on Friday, 0.49 seconds out of first but not good enough to secure an Austrian team spot.

The Americans, who have learned to celebrate top 10 finishes, seem tired of the grumbling from the Austrians, the undisputed kings of the international hills. While the Austrians settle the agonizing issue of which brilliant cards they will lay on the table for Sunday's downhill, the U.S. skiers — none of whom are favored for a medal — roll their eyes at the Austrians' complaints.

"It's talk," said the American rookie Jason Rosener, who skied to a U.S.-best 10th-place finish in the trial run. "It's the Austrians. The Austrians never perform well at the Olympics. They are

always looking for something to complain about. I don't pay attention. I'm sick of it."

The Austrians indeed have struggled in the last two Winter Olympics, while the U.S. men overachieved dramatically in 1994 with Tommy Moe's gold and silver medals.

The American skiers like to say they play for keeps at the Winter Games. They theorize that the Austrians are so concerned about accruing World Cup points that they treat the Olympics like any other competition. In the last two Olympics, the Austrian men managed two golds and three bronze medals in alpine skiing, low by that nation's high skiing standards.

Moe, who has not yet broken into the top 20 in a trial run here but won the downhill gold in 1994, has remarked that all the Europeans gripe too much when they leave their home continent. For them, Moe said this week, "one week in Japan is three weeks too long."

On Friday, the only happy Austrian team members seemed to be Andreas Schifferer, who prequalified for a downhill spot, and Hannes Trinkl, who earned a place with his No. 2 finish in a trial Friday. After the trial, Trinkl looked so elated that an observer might have thought he had been awarded a gold medal early.

Maier was also given a bye onto the downhill team, but he seems uncomfortable with this overly laid out course.

"Today, I had a lot of problems," Maier said. "I was not so fast today. I hope I'm faster tomorrow and Sunday."

It's flat here. A lot of skiers can win here in the downhill. It's not so technical, so that's a little bit of a problem."

Maier, 25, certainly has proven his ability to overcome. After being rejected by a private ski school in his hometown of Flachau at age 15 because he was too short and had bad knees, Maier landed a job as a bricklayer. In his spare time, he continued training. It wasn't until 1996, when he won a major European championship, that his countrymen began taking him seriously.

Maier wasn't even competing on the World Cup circuit three years ago — he was still laying bricks.

"I was not unhappy, but I looked at all the races and tried everything I could to come back," Maier said. "Now, here I am."

With a huge lead in the World Cup standings, he is expected to become the first Austrian in 28 years to win the overall World Cup title.

## Saying 'Best Games Ever' in Japanese

New York Times Service

**NAGANO, Japan** — It has been a long time since the Best Games Ever were held — in Lillehammer, Norway, in February of 1994, if any of us can remember back that far.

The Best Games Ever did not take place in Nagano in 1998, mainly because people were stuck in yellow school buses on the Interstate while the organizers seemed more interested in selling a ton of T-shirts.

When Juan Antonio Samaranch proclaimed the 1998 Summer Games as the greatest Games ever held in Fulton County, Georgia, the damnation-by-faint-praise did not escape the locals.

The president of the International Olympic Committee could say "Best Games Ever" in dozens of African languages, Mandarin and Cantonese, Iroquois, Finnish, Hindi, and is fairly aching to bestow these honors in Japanese.

The potentially Best Games Ever were opened Saturday, the closest to the equator the Winter Games have ever been held, in a town allegedly with palm trees.

But there is more than enough snow on the mountains ringing Almost Heaven, West Nagano.

This prosaic and friendly little city, elevated to Olympic status by the wisdom of the IOC delegates, did its best Saturday on a sunny and warm morning, with a decidedly Japanese touch that included sumo wrestlers, ceremonial wooden pillars, and an emperor and empress.

There was also a shadow hanging over the opening, the threat of a major military action by the United States against Iraq in the next week or two unless there is some resolution of the standoff concerning inspections of weapons.

In the past, Samaranch has made open appeals to "Please, stop the fighting," to whoever was fighting at the moment. He used whatever cachet the Olympic movement has to call for peace in the former Yugoslavia in 1994 as the Winter Games took place in the peaceful snowy hills of Norway.

Then, there were candles flickering along the Storgata, the main street of rustic Lillehammer, and intense Nar-



Hannes Trinkl of Austria on his way to earning a place Friday.

### VANTAGE POINT/GEORGE VECSEY

wegians collecting signatures and Samaranch visited Sarajevo, a sister Olympic city. However, Baghdad is not an Olympic city, and while Samaranch once again called for peace in the world Saturday morning, he seemed to know he was not going to talk the United States out of doing whatever it is going to do.

"Our force is limited, as you know," Samaranch said Friday. "Somebody asked if I contacted President Clinton. The last time we spoke was during the Atlanta Olympic Games. President Clinton is a great president, an outstanding politician, and I am sure he will find diplomatic means to convince Iraq's president to respect international law."

In the not-so-distant past, American presidents and Russian presidents and Cuban presidents have deprived their

athletes of the chance to compete, in order to make some protest or political stand.

Now, Samaranch seemed to be saying, "Please, stop the politics." He was going to run a sporting event with global ramifications and leave the politics to the bombers and the bombers.

Samaranch may also be fighting a difficult battle against doping, "a kind of cheating that we cannot afford," he called it. The Chinese seem to be carrying around trunkfuls of performance-enhancing chemicals, most recently to the world swimming championships in Perth, Australia, where their stashes were uncovered almost by accident by a customs inspection. This week, Samaranch voiced the hope that customs officials around the world would aid in the struggle.

### 4 Years Later, Harding Says 'Sorry' to Kerrigan

The Associated Press

Tonya apologized and Nancy forgave her — sort of.

"I would like to apologize again for being in the wrong place at the wrong time and with the wrong people," Tonya Harding said to Nancy Kerrigan during the figure skaters' first meeting since the Lillehammer Olympics four years ago, an interview that was broadcast Thursday night on Fox.

"If I would have known, I would have done anything I could to stop it," Harding said. "It was the attack in which Kerrigan's knee was hit with a collapsible baton by associates of Harding just weeks before the Olympics."

Kerrigan appeared uncomfortable with the apology, and Fox did not show her response. But when Harding apologized again at the end of the interview, Kerrigan did give a half-hearted acceptance.

"I am glad you moved on and I hope that you can find happiness and maybe children can learn from these mistakes," Kerrigan said.

The program featured most of the principals in this real-life soap opera, including the former Jeff Gillooly, Harding's former husband, who changed his name to Jeff Stone after serving a prison term for racketeering in the attack.

Kerrigan said she could not believe Harding did not know in advance of the plan to attack at the Olympic trials in Detroit. Neither can Gillooly, who said Harding "gave the go sign" — an accusation that Harding denies.

"I could never hurt anyone — ever," she said.

While both women hoped to put the bizarre episode to rest with the interview, they knew that would not happen. "It will always be there," Kerrigan said. "It will be brought up every time there is an Olympics."

## THE MORNING AFTER By Manny Nosowsky

ACROSS	DOWN	ACROSS	DOWN
1 Some calisthenics	79 Oxford university since 1844	13 Sometimes cracked container	14 City whose name is Spanish for "ash tree"
7 Hardly stars	82 Part	14 City whose name is Spanish for "ash tree"	15 Library ref.
14 Promote	84 Molly Pitcher, for example?	15 Library ref.	16 Last of all
20 Avid	87 Sang	16 Last of all	17 TV debut of 1/452
21 Japanese art of flower arranging	88 Indochina locale	17 TV debut of 1/452	18 "Luan" cartoonist Greg
22 Take away	90 East, in Essen	18 "Luan" cartoonist Greg	19 Held another session
23 Gave in church	91 Electronic snop	19 Held another session	20 Portfolio contents, for short
24 Indexed early	94 Words with word or way	20 Portfolio contents, for short	21 "The" — the limit
26 Ancient porch	95 Low voice	21 "The" — the limit	22 Goes to bat
27 "— of troubles"	98 What the overheard passengers called the air?	22 Goes to bat	23 Some pointers
29 Secret devices	100 Nightclub charge	23 Some pointers	24 Wave catches
30 It may lead to a strike	103 Static	24 Wave catches	25 Moolah
31 Twisted person	105 Brev	25 Moolah	26 In the dark
33 Some campers	107 Site for secrets	26 In the dark	27 "Wheel of Fortune" songstress, 1952
34 Wall Street worker	108 Chairs for prayers?	27 "Wheel of Fortune" songstress, 1952	28 Has
36 Reply to "Is it Mr. or Professor Chomsky?"	110 Answer, in brief	28 Has	29 Abbr. in car ads
40 Together	114 Question about a flashlight that lacks batteries?	29 Abbr. in car ads	30 Sizing up
42 Like fabric by the yard	117 Precisely	30 Sizing up	31 Like some delites
43 How some people seem to know	120 "I like that"	31 Like some delites	32 "— forgive our debtors"
45 Old despot	121 Family split?	32 "— forgive our debtors"	33 Go crazy
48 Hugs	122 Like the other evil	33 Go crazy	34 "Bottoms up!"
50 Staten Island ferry letter?	123 Some kids' bedtime reading	34 "Bottoms up!"	35 Walked nervously
55 Enterprise log signature	124 Nike rival	35 Walked nervously	36 Bloomsbury group member
56 Toast for the holidays	OWN	36 Bloomsbury group member	37 "The Grapes of Wrath" family
58 Long of me	1 NCO club members	37 "The Grapes of Wrath" family	38 More, in Monterey
59 Its cap, in Charleston	2 Vacate	38 More, in Monterey	39 Continued
60 Showed, with "out"	3 "For — us a child"	39 Continued	40 Vacant
63 Kind of test	4 Shocked	40 Vacant	41 80's TV adventure
64 They battle the Indians	5 Common article	41 80's TV adventure	42 Full chorus, in music
66 Reply to "How many Senators are there, child?"	6 Some recyclables	42 Full chorus, in music	43 The first one opened in Detroit in 1962
70 Big name in computers	7 "Great shot"	43 The first one opened in Detroit in 1962	44 Occupies quarters
73 Friction easier	8 Tex, neighbor	44 Occupies quarters	45 Israeli city on the Gulf of Aqaba
74 Wire	9 School org.	45 Israeli city on the Gulf of Aqaba	46 Seme contents
77 One of the Whitneys	10 F.B.I. sting of the late 70's	46 Seme contents	47 Some radios
78 From — Z	11 Wall builder	47 Some radios	48 Sunny boss, briefly
	12 Author Reginald and others	48 Sunny boss, briefly	

## GAMES: Opening the Competition With a Call for World Peace

Continued From Page 1

The themes of transporting unity and accord into the 21st century resonated throughout the opening ceremonies.

Some 2,000 balloons shaped like doves were released into the air, carrying messages of peace written by the children of Nagano. An underlying message in the third post-war Olympic Games hosted by Japan is its desire to reckon with an expansionist past by promoting a future of peace and friendship.

"The Japanese have a considerable responsibility for the wars of the first half of the century," Keita Asari, the executive producer of the opening ceremonies, said earlier this week. "From that perspective, peace in the century ahead has a particular significance."

The opening ceremonies avoided nastiness in favor of simplicity, hospitality and efficiency. As well as a festival of solidarity and athleticism, the Nagano Games are viewed as an homage to the beauty of nature. The exterior of the opening ceremonies stadium is shaped like petals of a cherry blossom, Japan's national flower.

The ceremony began with the solemn ringing of a bell from the Zenshoji temple, the spiritual heart of Nagano. Eight wooden pillars, hewn from trees felled in local forests, were erected in pairs to signify the four gates of the stadium. Akebono, the massive great champion sumo wrestler, then entered the stadium to perform a purification ritual. Dressed in a kimono in the 40-degree chill, the 516-pound (235 kilogram) wrestler stamped his feet in a ritual driving out of evil spirits, symbolically readying the Nagano Games for contests of sportsmanship and fair play.

"Being from Hawaii, I don't know too much about the Winter Olympics," said Akebono, a native of Oahu whose given name is Chad Rawan. "It's exciting. We're probably the first sumo wrestlers to ever be in the opening ceremonies."

Sumo wrestlers also accompanied each of the 72 Olympic delegations into the stadium, walking hand in hand with schoolchildren. Included in the parade of nations were Kenya, Azerbaijan, Venezuela, Macedonia and Uruguay, which were all participating in the

Winter Games for the first time.

Carrying the flag for the United States delegation, which consists of 196 athletes, was the three-time Olympian Eric Flaim, a speed skater who has previously won two silver medals. He seemed a curious choice to many, considering that he qualified as a pool member of the short-track relay team and may not compete at these Winter Games. Flaim, 30, of Boston, said he was dedicating his flag-carrying honor to his late father, Rico, who got him involved in winter sports.

"It's always a thrill," he said of the opening ceremonies. "Everytime starts chanting 'U.S.A.' The thrill of the crowd and joy of the Games overwhelms you."

Greeting the Japanese delegation from the royal box were Emperor Akihito and Empress Michiko. The country has enjoyed limited success in the Winter Games, and its most famous medalists played significant roles in the opening ceremonies. Yukio Kasaya, a ski jumper and the only Japanese athlete to win an individual gold medal in the Winter Games, helped carry the Olympic flag into the stadium. Kenji Ogiwara, who won two gold medals as part of the Nordic combined team event, delivered the athletes' oath. And Ito, whose silver medal at the 1992 Winter Games is the only medal ever won by a Japanese figure skater, lit the Olympic cauldron.

Preliminary rounds of the Olympic hockey tournament began after Saturday's opening ceremonies, with the first full day of competition set for Sunday in the men's downhill, snowboarding, speed skating and the pairs short program in figure skating. Heavy snow is forecast, which could force a postponement of the downhill race.

After exorbitant budget increases, early lack of public support and a bitter controversy over placing the start of the national park, the Nagano Games began with a sense of anticipation and relief.

"The Games will work," said Anita DeFranz of the United States, the only IOC "Nobody thought they would, but they will."

In this clogged city of 360,000, IOC members seemed satisfied that Nagano would avoid the traffic and technological failures of the 1996 Summer Games in Atlanta.

What remains to be seen is whether the IOC appeals for an Olympic truce will hold during the Nagano Games, which end on Feb. 22. The Japanese Foreign Minister, Keizo Obuchi, has urged the United States to refrain from hostilities during what he called the "last sports festival of peace this century."

### IOC Votes In 9 New Members

Ira Berkow of The New York Times reported from Nagano:

Nine new members have been voted onto the International Olympic Committee, and two of them were of royal blood. His Royal Highness the Prince of Orange of the Netherlands and His Royal Highness the Prince Henri de Luxembourg are official members of royal families.

"I don't think that we are especially well-stocked with members of royalty," said Francois Carrard, the director general of the IOC. "We have a rather large complement of regular people. But I don't see why someone should be barred from membership just because they have a title. That would be reverse discrimination."

The rest of the new members reflect a different makeup of the organization. Two are women: Irena Szewinska of Poland, winner of seven Olympic medals, including a gold medal in the long jump in 1976, and Nawal el Moutawakel Bennis of Morocco, also a gold-medalist Olympian in the hurdles in 1984.

The others named Friday were Major General Moumit Sabet of Egypt, Meliton Sanchez Rivas of Panama, Dr. Leopold Walner of Austria, Ser Miang of Singapore and Muhammad Samih Moudallal of Syria.

For a long time, the IOC has fought the reputation that it is a melange of stuffed shirts, who take an archly particular attitude in general and in particular when they smugly decide which cities will get the Olympic Games. The addition of even a pair of royal individuals may not detract from that view.

## SCOREBOARD

### WRESTLING

Weight	U.S.	Opponent	Result
55 lbs.	Chad Rawan	Kenya	W
60 lbs.	Chad Rawan	Kenya	W
65 lbs.	Chad Rawan	Kenya	W
70 lbs.	Chad Rawan	Kenya	W
75 lbs.	Chad Rawan	Kenya	W

### FIGURE SKATING

Event	U.S.	Opponent	Result
Men's	Kenji Ogiwara	Japan	W
Women's	Kenji Ogiwara	Japan	W
Ice Dance	Kenji Ogiwara	Japan	W
Synchronized	Kenji Ogiwara	Japan	W
Pairs	Kenji Ogiwara	Japan	W

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### FIGURE SKATING

Event	U.S.	Opponent	Result
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SPORTS

# Pantheon Agrees: Jordan's the Best

By Frank Litsky  
New York Times Service

NEW YORK — They are legends in the annals of professional basketball — Bob Cousy, Bill Russell, Bill Bradley, Bob Pettit and Red Auerbach.

They took part in the first NBA Gala, a fund-raising dinner to benefit needy retired players, and like the rest of the world they said that they were in awe of the heroics of the modern star of stars, Michael Jordan.

Awards were given at the dinner to Cousy, Bradley, Auerbach, Oscar Robertson, George Mikan, Dave Bing and Jerry Buss. The presenters included Russell, Pettit, Muhammad Ali, Dave DeBusschere, Tom Heinsohn, Jamaal Wilkes and the Reverend Jesse Jackson.

A popular subject of co-operation was the amazing Jordan, the Chicago Bulls' superstar. Unlike many older sports heroes who prefer the good old days, many of the legends here called Jordan the best player ever.

"I agree with everyone else in the world," said Cousy, the supreme point guard, "that Michael Jordan is the best player ever to play this game, by far. Next would be a lot of guys, from Magic Johnson to Larry Bird to Oscar Robertson to Jerry West. But Michael stands head and shoulders above

everyone else. He's the complete package. And despite his \$36 million salary, he has always had a sense of responsibility on and off the floor as a role model."

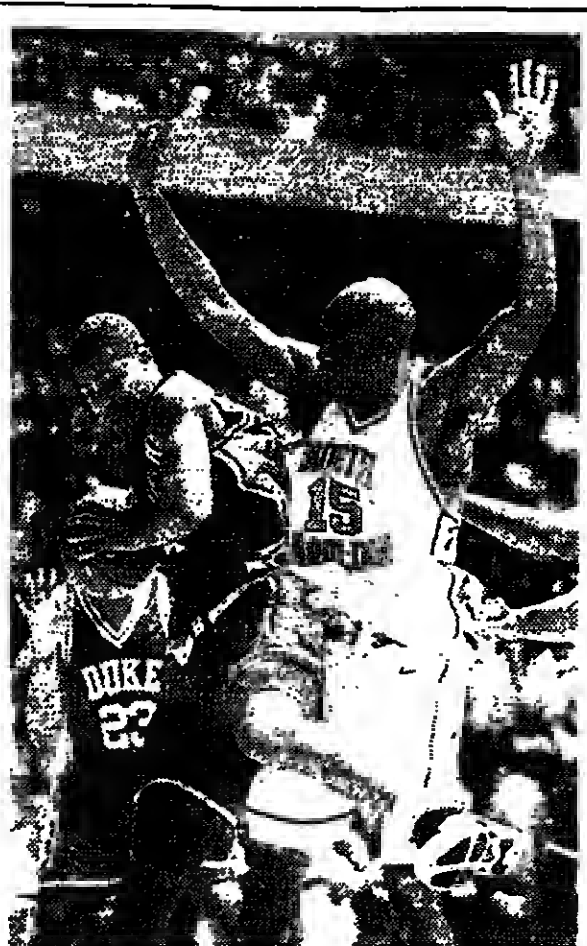
Cousy marveled at Jordan's agility. "When I jumped as high as I could," Cousy said, "I touched the bottom of the net. When Michael jumps, he hits the top of the backboard."

Russell, the best defensive center ever, said the modern game was not really different from the one he played.

"The players today were introduced to a different game than I was introduced to," he said, "but it's still basketball. Michael would have been successful any time basketball has been played — past, present and future. And he's a very fine person. That's what I like the most about him."

Auerbach, who coached Cousy and Russell with the Celtics, ranked Jordan No. 1.

"He's met every challenge ever put in front of him," Auerbach said. "He plays great defense. He plays hard. We all know about his offense. His passing is good. He's a fierce competitor. It's very hard to lead the league in scoring when you're a guard, but he keeps doing it. If I'm starting a team, the first player I'd pick is Russell because you can't win without the ball, but Russell will get you the ball, but Jordan will be on that team."



2 TOPS 1 — Duke's Roshawn McLeod battling North Carolina's Vince Carter in Chapel Hill. The No. 2-ranked Tar Heels beat No. 1 Duke, 97-73.

## Some Eclipsed Stars

The All-Star Weekend this weekend will not have anything to do with six of the 50 greatest players in National Basketball Association history. The New York Times reported.

Because of injury or the

fact that they simply were not voted onto the team, perennial All-Stars Patrick Ewing, Charles Barkley, Clyde Drexler, Hakeem Olajuwon, Scottie Pippen and John Stockton will not be on the court when the game begins Sunday at Madison Square Garden in New York.

# Handing Football Off to the Writers

International Herald Tribune

GREAT news! A writer is trying to buy the Minnesota Vikings. Tom Clancy, who writes political thrillers, leads the group that has offered an NFL-record \$200 million for the team. One of the current owners is claiming he has the right to match the offer, but Clancy, bless him, is confident that the NFL commissioner will rule in his favor within two weeks.

"I don't know how it is in Minneapolis," Clancy said this week, "but back where I live, you can't spin a dead cat around your head without hitting two lawyers, which may be the best thing to do to a lawyer. The best competent legal advice I have is that it's a done deal."

This is the finest thing to happen to the written word for some time. A few generations ago baseball was the game in this country, and it was a writer's game. There was time to think and sit around and tell stories, and there was no television. Then the NFL came along and married itself to television like a gigo to a rich heiress.

The NFL has been hell for sportswriters. We always end up writing about the instant replay. That's no way to tell a story, by describing what it looked like in slow motion, to judge the success of a man by whether some computer-enhanced technology decided that both of his feet were in bounds. But that is what moving pictures have made of us. We are a people of broken spirit. So pull up your pants, brothers, and look who's in charge now! I know, somebody is going to point out that much of Clancy's popularity and money have resulted from the movies made from his books — "The Hunt for Red October," "Clear and Present Danger" and "Patriot Games."

IN AMERICA/IAN THOMSEN

But I happen to know that Mr. Clancy wasn't altogether happy with the way his stories were treated by the big screen. From what I'm told he put up one hell of a fight. That's enough to make me believe that writers — sportswriters, specifically — are going to become a priority in Minnesota.

I imagine the first thing Mr. Clancy's going to want to improve will be the stories about his new team. A loquacious, hirsute man like him — when he reads the uninspiring banalities and "no comment" responses emanating from the locker room, he's going to feel like somebody poured absinthe in his morning coffee. He's going to take a more active interest, and that's going to include opening the locker room to writers 24 hours a day, and by that I mean writers talking to players and observing their behavior first-hand before the games, at halftime, and escorting them back inside afterward.

UNTIL HIS team gets the hang of the new regime, Clancy is probably going to preside over press conferences. Let's say I want to ask the coach where on God's green earth he came up with the ridiculous idea of a screen pass inside the 10-yard line. In the status quo, if I'm lucky, all I hear is silence. But in the near future Clancy is going to be on the scene with his seersucker suit and corn-cob pipe, saying, "Answer the question, coach." When the coach argues that he won't be made a fool of, his owner — his owner — will look at his pocket watch and respond, "As Mark Twain once said, 'Let us be thankful for the fools. But for them the rest of us could not succeed.'"

We'll all have a good, thoughtful, hearty laugh. I'm guessing that the inspiration-dripping slogans that currently fill the walls of NFL locker rooms — *Be a champion today!* — will be replaced with more noble thoughts.

By trying we can easily learn to endure adversity. Another man's. I mean, (Mark Twain, from "Following the Equator," Chapter 39.)

The Vikings used to be one of the most romantic, dominant teams when they played outdoors. Mr. Clancy will probably tear the roof off of that domed stadium in Minneapolis and reintroduce the Vikings to their frozen, provocative roots.

"Honey?" That's my wife reading over my shoulder as I write. I love it when she does that. "I think you're missing the point about Tom Clancy."

How could that possibly be, dearest?

"You're making him out to be this Mark Twain-like figure, when in fact he writes technical novels about weapons and spies."

I think I know a little bit more about it than all that.

"Really? You referred to him as hirsute. That means he's covered with hair."

I mean, sure, of course I know what hirsute means.

"For all you know he might turn out to be as uptight and secretive as the characters in his novels. Have you even read any of his books?"

Well, no. But I have seen the movies.

Ian Thomsen is a senior writer at Sports Illustrated magazine.

## SCOREBOARD

### BASKETBALL

#### MAJOR COLLEGE SCORES

North Carolina 97, Duke 73	Arizona 112, Washington 81
Utah 83, Brigham Young 68	Oregon 97, UCLA 81
New Mexico 89, Wyoming 59	Arizona 100, Mississippi 87
Michigan 14, Northwestern 10	Cincinnati 109, DePaul 73
George Washington 82, La Salle 65	

#### EUROLEAGUE

GROUP A	GROUP B
Macquarie Tel Aviv 87, Turk Telekom 76	Real Madrid 65, CSKA Moscow 51
Benetton Treviso 94, Limoges 70	Benetton Treviso 94, Limoges 70
GROUP C	GROUP D
Pau-Orthez 79, ASVEL 70	Borussia Dortmund 85, Olympique 65
Kolossos 69, Partizan 55	Partizan 55, Kolossos 69
GROUP E	GROUP F
Chonma Zangba 84, Portland 66	Portland 66, Chonma Zangba 84
Chonma Zangba 84, Portland 66	Portland 66, Chonma Zangba 84

#### NBA STANDINGS

EASTERN CONFERENCE				WESTERN CONFERENCE			
Team	W	L	Pct	Team	W	L	Pct
Atlanta	20	17	.543	San Antonio	34	14	.708
Charlotte	20	17	.543	Utah	31	15	.674
Chicago	20	17	.543	Minnesota	28	20	.586
Cleveland	22	25	.468	Houston	22	24	.478
Detroit	22	25	.468				
Indiana	22	25	.468				
Los Angeles	22	25	.468				
Memphis	22	25	.468				
Orlando	22	25	.468				
Philadelphia	22	25	.468				
Pittsburgh	22	25	.468				
Portland	22	25	.468				
Sacramento	22	25	.468				
Seattle	22	25	.468				
St. Louis	22	25	.468				
Washington	22	25	.468				

### CRICKET

#### WEST INDIES VS. ENGLAND

England 214, West Indies 88-3
England 214, West Indies 88-3

#### NEW ZEALAND VS. ZIMBABWE

New Zealand 137 for two in 29 overs
New Zealand 137 for two in 29 overs

#### BORDER VS. PAKISTAN

Border 141-3, Pakistan 222
Border 141-3, Pakistan 222

### ICE HOCKEY

#### NHL STANDINGS

EASTERN CONFERENCE				WESTERN CONFERENCE			
Team	W	L	Pct	Team	W	L	Pct
New York	33	16	.675	San Jose	33	16	.675
Philadelphia	26	18	.591	Los Angeles	26	18	.591
Washington	26	18	.591	Edmonton	26	18	.591
Calgary	26	18	.591	St. Louis	26	18	.591
Florida	26	18	.591	Chicago	26	18	.591
Atlanta	26	18	.591	San Jose	26	18	.591
Buffalo	26	18	.591	Los Angeles	26	18	.591
Carolina	26	18	.591	Edmonton	26	18	.591
Columbus	26	18	.591	St. Louis	26	18	.591
Dallas	26	18	.591	Chicago	26	18	.591
Detroit	26	18	.591	San Jose	26	18	.591
Los Angeles	26	18	.591	Los Angeles	26	18	.591
Minnesota	26	18	.591	Edmonton	26	18	.591
Montreal	26	18	.591	St. Louis	26	18	.591
Ottawa	26	18	.591	Chicago	26	18	.591
Pittsburgh	26	18	.591	San Jose	26	18	.591
St. Louis	26	18	.591	Los Angeles	26	18	.591
Tampa Bay	26	18	.591	Edmonton	26	18	.591
Washington	26	18	.591	St. Louis	26	18	.591
Winnipeg	26	18	.591	Chicago	26	18	.591
Yankee	26	18	.591	San Jose	26	18	.591

### SOCCER

#### EUROPEAN CUP

Barcelona 2, Real Madrid 1
Barcelona 2, Real Madrid 1

#### CONCACAF GOLD CUP

Brazil 2, Colombia 1
Brazil 2, Colombia 1

#### FOUR NATION TOURNAMENT

France 2, Germany 1
France 2, Germany 1

#### SIX NATION TOURNAMENT

France 2, England 1
France 2, England 1

### TENNIS

#### PAUL PACIFIC OPEN

Grande 6-2, 7-5
Grande 6-2, 7-5

#### WIMBLEDON

Grande 6-2, 7-5
Grande 6-2, 7-5

#### THE WEEK AHEAD

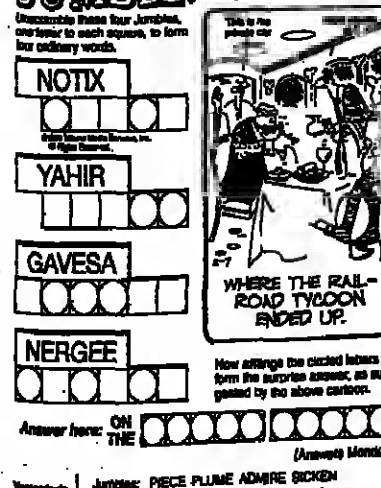
Saturday, Feb. 7	Sunday, Feb. 8
Saturday, Feb. 7	Sunday, Feb. 8

## DENNIS THE MENACE



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

## JUNBLE



Answer key: ON THE (Honey Month)

## HOTEL ROYAL

LUXEMBOURG  
12, boulevard Royal - L-2449 Luxembourg  
Tel: (452) 241 61 61 - Fax: (452) 22 99 48  
Site Internet: <http://www.hotelroyal.lu>  
Email: [reservations@hotelroyal.lu](mailto:reservations@hotelroyal.lu)  
Grand-Duchy of Luxembourg

## PEANUTS



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

## GARFIELD



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

## BEETLE BAILEY



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

## BLONDIE



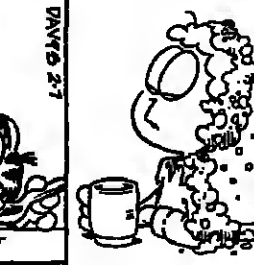
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## WIZARD OF ID



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

## DOONESBURY



"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

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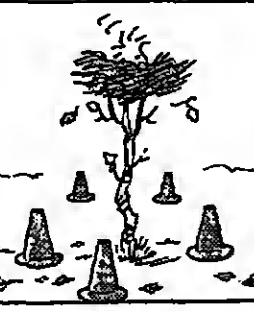
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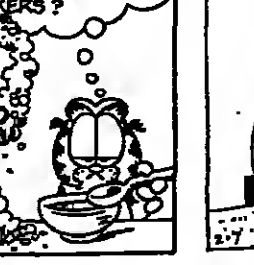
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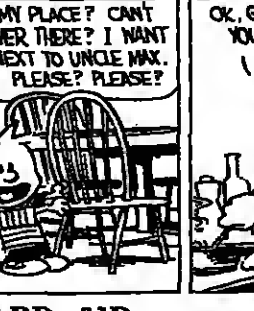
"BOY ARE WE LUCKY! THREE SNOW-STORMS IN ONE WEEK!"

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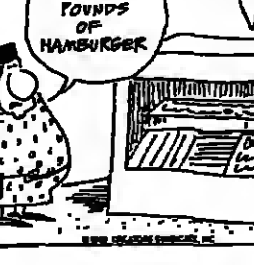
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## DOONESBURY





DAVE BARRY

## The Drive to Rage

MIAMI—If you do much driving on our nation's highways, you've probably noticed that, more and more often, hullets are coming through your windshield. This is a common sign of Road Rage, which the opinion-makers in the news media have decided is a serious problem, currently ranking just behind global warming and several points ahead of Asia.

How widespread is Road Rage? To answer that question, researchers for the National Institute of Traffic Safety recently did a study in which they drove on the interstate highway system in a specially equipped observation van. By the third day, they were deliberately running other motorists off the road.

"These people are MOR-ONS!" was their official report.

That is the main cause of Road Rage: The realization that many of your fellow motorists have the same brain structure as a cashew. The most common example, of course, is the motorist who feels a need to drive in the left-hand, or passing, lane, even though they are going slower than everybody else.

Nobody knows why these motorists do this. Maybe they belong to some kind of religious cult that believes the right lane is sacred and must never come in direct contact with tires. Maybe one time, years ago, these motorists happened to be driving in the left lane when their favorite song came on the radio, so they've driven over there ever since, in hopes that the radio will play that song again.

But whatever makes these people drive this way, there's nothing you can do about it. You can't honk at them but it will have no effect. People have been honking at them for years: It's a normal part of their environment. They've decided that, for some mysterious reason, wherever they drive, there is honking. They choose not to ponder this mystery any further, lest they overburden their cashews.

I am very familiar with this problem, because I live and drive in Miami, which proudly bills itself as The Inappropriate-Lane-Driving Capital of the World. So the tiny minority of us Miami drivers who actually qualify as normal find ourselves constantly being trapped behind people drifting along on the interstate at the speed of diseased livestock, while at the same time we are being tailgated and occasionally bumped from behind by testosterone-deranged youths who got their driver training from watching the space-fighter battle scenes in "Star Wars." And of course nobody EVER signals or yields, and

people are CONSTANTLY cutting us off, and AFTER A WHILE WE START TO FEEL SOME RAGE, O.K.? YOU GOT A PROBLEM WITH THAT, MISTER NEWS MEDIA OPINION-MAKER??

In addition to Road Rage, I frequently experience Parking Lot Rage, which occurs when I pull into a crowded supermarket parking lot, and I see people get into their car, clearly ready to leave, so I stop my car and wait for them to vacate the spot, and . . . nothing happens! They just stay there! WHAT THE HELL ARE THEY DOING IN THERE?!!! COOKING DINNER???

When I finally get into the supermarket, I often experience Shopping Cart Rage. This is caused by the people—and you just KNOW these are the same people who always drive in the left-hand lane—who routinely manage, by careful placement, to block the entire aisle with a single shopping cart. If we want to keep course, is the motorist who feels a need to drive in the left-hand, or passing, lane, even though they are going slower than everybody else.

This is a serious problem, just behind global warming.

about two dozen to block the entire Mexican border.

What makes the supermarket congestion even worse is that shoppers are taking longer and longer to decide what to buy, because every product in America now comes in an insane number of styles and sizes. For example, I recently went to the supermarket to get orange juice. For just one brand of orange juice, Tropicana, I had to decide whether I wanted Original, Homestyle, Pulp Plus, Double Vitamin C, Grove-stand, Calcium or Old Fashioned. I also had to decide whether I wanted the 16-ounce, 32-ounce, 64-ounce, 96-ounce or six-pack size. This is WAY too many product choices. It caused me to experience Way Too Many Product Choices Rage.

I would have called Tropicana and complained, but I probably would have wound up experiencing Automated Phone Answering System Rage ("... For questions about Pulp Plus in the 32-ounce size, press 23. For questions about Pulp Plus in the 64-ounce size, press 24. For questions about...").

My point is that there are many causes for rage in our modern world, and if we're going to avoid unnecessary violence, we all need to "keep our cool." So let's try to be more considerate. O.K.? Otherwise I will kill you.

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## Taking the Skeleton Route in St. Moritz

International Herald Tribune

ST. MORITZ, Switzerland — Protected by a helmet, pads on his knees, elbows and fists, and by his own mad daring, the rider careers head first down the iced curves of the Cresta Run on a small metal toboggan aptly called a skeleton. The Cresta Run is on the outskirts of St. Moritz, just past the DKNY shop, or past Bulgari and Vuitton if one takes a longer route. Meanwhile, in the lower town the chaplain at the English church is at the ready to make a house call or a hospital visit.

It isn't quite that simple or frequent, of course, but the Cresta Run and the local Anglican church have

MARY BLUME

been closely tied since the last century and they come together annually at the club hall in London, happily held the same week as the Anglican synod, and weekly at the church's Evensong service. Held between sport and cocktails with no sermon and lots of hymns, Evensong is the ideal Cresta Run service. "The English love to sing, it reminds them of public school," says the chaplain, Brent Fisher.

These days Evensong is the church's sole service and the snug building itself, 125 years old, has been sold to the Swiss Reformed Church which leads it to the Anglicans for the winter season. Fisher is an amiable American Presbyterian who studied at Princeton, Edinburgh and in Germany. Fluent in German, he came to St. Moritz five years ago as the Reformed Church pastor, then took over the unpaid job of chaplain to the English community when his predecessor retired and there were no funds for a replacement. "It's just an accident that I happen to be English-speaking. After a fashion of course, for the British," he added. There is no English congregation any more, he says, just guests who happen to be here. He is on friendly terms with the Cresta members' although, unlike his Anglican predecessor who was a club officer, he wouldn't dream of diving down the Cresta Run.

"Somehow I've managed to wiggle out of it each year. You can be crippled for life on that crazy thing," Fisher prefers to snow-board because he can just sit down if he gets tired. The world of the St. Moritz Tobogganing Club, its official name, is curious, he says. "It's like being back at prep school, it's basically a big boys' club."

Women rode the Cresta Run back in the 1890s when they had to wear cumbersome skirts, but they have been banned from riding for safety reasons since the 1920s although they can still be members. Only on the last day of the season,

hour, with the rider's face about four inches from the ice. The club's fastest rider, Lord Wrottesley, is in his 20s; Prince Constantin of Liechtenstein still rides at 85. The top of the 1,212-meter run is called Top, curves have such names as Curzon and Brahazon; the most respectable is called Shuttlecock and to fly out of Shuttlecock, in club parlance, is not what one wants to do though almost everyone has.

Like all clubs the Cresta is exclusive and costly (though, as a member pointed out a while back, cheaper than tiger shooting) and likes to see itself as welcoming, within limits. Nonmembers can ride for a fee and a

Derbyshire of Europe," said Dr. Johnson's friend, Mrs. Thrale — they came in summer, often tubercular, traveling in groups with their local vicar and, if they had followed the advice of the London Times, umbrellas, walking sticks, peppermints and whistles.

The attraction is fear. "Everyone is afraid and therefore very close," says von Bohnen. "You cannot be competitive because you're all afraid, it's like trench warfare."

"Fear means one gets to know people very well. There isn't a Cresta rider who wouldn't admit to being

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In 1864, the same year that St. Moritz opened Switzerland's first tourist board, the canny Johannes Badrutt invited four Englishmen to spend the winter at his hotel free of charge, promising to reimburse their return fares to London if they were not delighted by the sun and clean air. They were and winter sports began.

Generations of riders have gone to the great Shuttlecock in the sky, but the club retains a time-warped atmosphere. "The appeal is that it is an amateur sport, we believe in comradeship," says Richard Robbins, an assistant secretary. "We're not here to compete in this boring professional way. It's about having a club and all the good things a club embodies."

"It is among the last amateur sports in the world. We take great pride in this," Willoughby said. Since the sport is practiced nowhere else, there is no one to compete against. "We are unique."

"You don't get into the club by your riding. It is an English club, you get in by getting on with people," Willoughby was raised in India, served in Burma and says he only attends the community's Anglican church at Christmas, when he reads the Lesson.

Not many people do attend the church services these days, except at Christmas. At a recent Evensong there were only seven people but luckily Brent Fisher, who attended choir school at St. Thomas's in New York, has a soaring baritone voice. Attendance may have been low that evening because of the Burns Night dinner, though it has been known to drop to three. After the service, Fisher as usual served sherry in the manse. Then he donned the clergyman's dress tartan vest (a sort of subdued Black Watch) and went to join the club members around the haggis, which a killed member had tobogganed down the Cresta Run that morning.

Women have been barred since the 1920s; here, Mrs. Arden Bott completing a run in the 1890s.

the first weekend of March, does Lieutenant Colonel Digby Willoughby, the club secretary, send down wives or relations of members. "Just the Cresta family," he says. The Anglican church closes for the season on the same day.

On the club's walls, near the busy bar, are signs like "Bad Behavior Will Scupper the Boat" and an announcement of a Burns Night party featuring the Cresta haggis, shipped out by a Scots member. International membership, the club has a British president, secretary and membership committee ("If we allowed the Swiss on the committee, they'd let in people wearing funny hats," a member explained). Speeds can reach 90 miles an

few years back a London bus driver did. It should be added that he drives the Number 19 bus which, going from Piccadilly to Chelsea, is the smartest bus route in town.

Riding takes place in the morning when the ice is firm and beginners are summoned at 7:30 for instruction by Arno von Bohnen and Halbach, known as the Guru. At 8 they are called into the presence of Willoughby for what is known as the Death Talk, illustrated by a collage of X-rays showing members' injuries, including von Bohnen's broken left and right femurs and shoulder, Willoughby's broken neck and the alarming-looking liver of an American senator.

The aim is to bring everyone to afraid," says Willoughby. From a tower he comments on each rider's style ("neck swaying but better control than yesterday") and sometimes on their clothes ("that ghastly rubber suit"). Many riders wear skintight Lycra but the more traditional and attractive outfit worn since the club's beginnings in 1884 consists of a pullover with necktie, tweed breeches and heavy wool socks. For riding, prongs are attached to the toes of lightweight boots.

The Cresta Run is in part a result of St. Moritz's 19th-century attempts to attract a British clientele, which continue today with polo, cricket and horse racing on ice. If the English have long felt an affinity to Switzerland — "the

## PEOPLE

THE founder of the Teddy Bear Museum in Stratford-upon-Avon, England, is trying to broker a deal with the New York City Public Library to bring Winnie-the-Pooh back to Britain for a visit. Giles Brandreth, a friend of the late Christopher Robin Milne, who was the subject of the children's classics by A.A. Milne, also suggested that the beloved bear could go on a world tour to mark the millennium. "There is no question about it. Pooh and his friends should stay in New York," Brandreth said. But, he said, "He doesn't belong to any country. He belongs to the world... I'm trying to arrange a compromise for the animals to come to Britain on vacation." The fate of the five stuffed animals has dominated headlines on both sides of the Atlantic this week after Gwyneth Dunwoody, a Labour member of Parliament called for the return of "The Pooh Five." They were donated to New York library 11 years ago by E.P. Dutton, the publisher of the original Winnie-the-Pooh book in 1926.

Jean-Claude Van Damme, the kick-boxing action-movie star, got a knock-down punch from a former bodyguard, the New York Post said Friday. Van Damme was at the Soviet nightclub in New York with a group of friends, when he got into an argument with the former guard, Chuck Zito, who concluded the argument with a single punch that put Van Damme on the carpet. The star managed to leave the nightclub on his own steam, signing autographs on the way out.

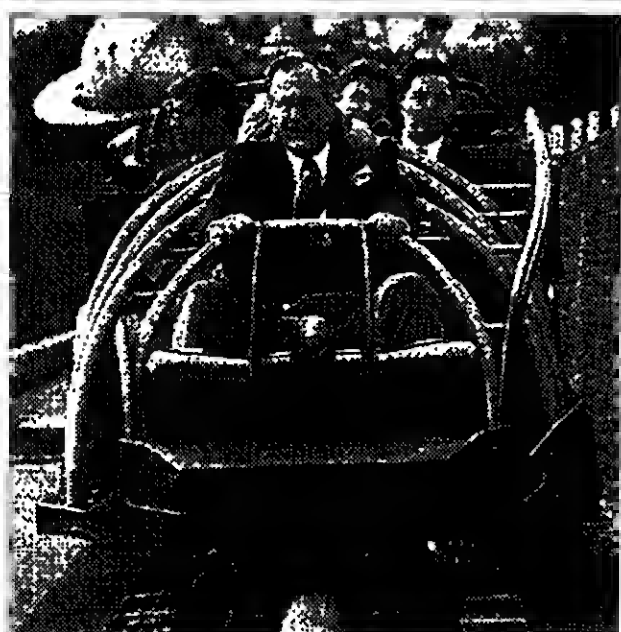
Luciano Pavarotti is suffering from hypertension and will be resting until the end of March. The tenor said he had canceled all his engagements and was heading for Barbados with his companion, Nicoletta Mantovani.

The actor Daniel Baldwin was discharged from the New York hospital where he had been treated since he al-

legedly went on a drug-induced rampage at the Plaza Hotel. He is scheduled to appear in court May 18 on charges of possession of a controlled substance and use of drug paraphernalia.

Former President George Bush took a test ride on the new "Rocket Rods" attraction during a visit to Disneyland in Anaheim, California. Bush later spoke at a Points of Light Foundation dinner at the Disneyland Hotel.

The Portuguese minister for parliamentary affairs was battered in the face with a cod as he opened an exhibition in the northern city of Braga. "That'll teach you how to govern," Antonio Costa's assailant proclaimed as he slapped the minister several times with the fish. After wiping his face, Costa ventured: "He must be the only Portuguese who doesn't like cod."



George Bush at the helm of a new Disneyland ride.

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